

April 14, 2003

VIA HAND DELIVERY

Luly E. Massaro  
Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

**RE: Standard Offer Rate Increase for June 1, 2003**

Dear Ms. Massaro:

Enclosed on behalf of The Narragansett Electric Company ("Narragansett" or the "Company") is one original and nine copies of the Company's filing requesting an increase in the Standard Offer rate from its current level of 4.662 cents per kWh to 5.6 cents per kWh effective for consumption on and after June 1, 2003.

This request is prompted by escalating oil and natural gas prices which have caused Narragansett to incur fuel index payments pursuant to the Fuel Index Adjustment Provision of the Company's wholesale Standard Offer supply contracts. Based on current estimates of fuel prices, the Company is projecting that, absent any rate increase, it would have an under-recovery of Standard Offer expenses totaling approximately \$114 million by December 2004. In Docket Nos. 3402 and 3479, the Commission approved the Company's proposal to retain a \$20 million payment received by the Company as a hedge against the potential for higher fuel prices. Although the hedge has held the Company in good stead through the 2002/2003 winter months, it is expected that the entire hedge amount, including accrued interest, will be depleted by May 2003. The proposed rate of 5.6 cents per kWh is designed to ensure that the Company neither over-recovers nor under-recovers its Standard Offer account through the end of 2003.

The effect of this increase on the monthly bill of a typical residential customer using 500 kWhs per month will be \$4.89 or approximately 9.0%.

Thank you for your attention to our filing. Please contact me if you have any questions concerning this matter.

Sincerely,

Terry L. Schwennesen  
General Counsel

cc: Paul Roberti  
Steve Scialabba

# The Narragansett Electric Company

June 1, 2003 Standard Offer Rate  
Filing

Testimony and Schedules  
of  
Jeanne A. Lloyd and  
Michael J. Hager

April 14, 2003

Submitted to:  
Rhode Island Public Utilities Commission  
R.I.P.U.C. Docket No. \_\_\_\_\_

Submitted by:



THE NARRAGANSETT ELECTRIC COMPANY  
Re: Standard Offer Rate Filing for June 1, 2003  
Witness: Jeanne A. Lloyd

**DIRECT TESTIMONY**  
**OF**  
**Jeanne A. Lloyd**

THE NARRAGANSETT ELECTRIC COMPANY  
Re: Standard Offer Rate Filing for June 1, 2003  
Witness: Lloyd

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1    **I.    Introduction and Qualifications**

2    Q.    Please state your full name and business address.

3    A.    Jeanne A. Lloyd, 55 Bearfoot Road, Northborough, Massachusetts 01532.

5    Q.    Please state your position.

6    A.    I am a Principal Financial Analyst in the Regulatory Distribution Services Department of  
7        National Grid USA Service Company, Inc. Regulatory Distribution Services provides  
8        rate related support to The Narragansett Electric Company (“Narragansett” or the  
9        “Company”).

11   Q.    Please describe your educational background and training.

12   A.    In 1980, I graduated from Bradley University in Peoria, Illinois with a Bachelor’s Degree  
13        in English. In December 1982, I received a Master of Arts Degree in Economics from  
14        Northern Illinois University in De Kalb, Illinois.

16   Q.    Please describe your professional experience?

17   A.    I was employed by EUA Service Corporation in December 1990 as an Analyst in the  
18        Rate Department. I was promoted to Senior Rate Analyst on January 1, 1993. My  
19        responsibilities included the study, analysis and design of the retail electric service rates,

1 rate riders and special contracts for the EUA retail companies. I assumed my present  
2 position after the merger of New England Electric System and Eastern Utilities  
3 Associates in April 2000. Prior to my employment at EUA, I was on the staff of the  
4 Missouri Public Service Commission in Jefferson City, Missouri in the position of  
5 research economist. My responsibilities included presenting both written and oral  
6 testimony before the Missouri Commission in the areas of cost of service and rate design  
7 for electric and natural gas rate proceedings.

8  
9 Q. Have you previously testified before Rhode Island Public Utilities Commission  
10 (“Commission”)?

11 A. Yes.

12  
13 **II. Purpose of Testimony**

14 Q. What is the purpose of the Company’s filing?

15 A. The purpose of the Company’s filing is to request Commission approval to increase the  
16 Standard Offer rate to 5.6 cents per kWh from its current level of 4.662 cents per kWh,  
17 effective for consumption on and after June 1, 2003.

18  
19 This increase is based on a projection of fuel index payments that the Company expects  
20 to incur through December 2003 under the Company’s wholesale Standard Offer Service

1 Agreements. The testimony of Michael J. Hager supports this estimate.

2  
3 The effect of the proposed increase on a typical residential customer is a monthly bill  
4 increase of \$4.89 or approximately 9.0%.

5  
6 **III. Standard Offer Proposal**

7 Current Standard Offer

8 Q. What is the Company's current Standard Offer rate?

9 A. Effective January 1, 2002, the Company implemented its current Standard Offer rate of  
10 4.662¢ per kWh.

11  
12 Q. How was the current Standard Offer rate derived?

13 A. The current Standard Offer rate was approved in Docket No. 3402, and was designed to  
14 be a levelized three-year rate for the period January 1, 2002 through December 31, 2004.

15 The retail rate was based on a weighted average of the base wholesale Standard Offer  
16 prices in effect for the years 2002, 2003 and 2004, assuming the Company would not  
17 incur any additional costs under the Fuel Index Adjustment Provisions of its Standard  
18 Offer Agreements after March 2002. Specifically, the base component of the Standard  
19 Offer under the Company's supply contracts is 4.2¢ per kWh in 2002, 4.7¢ per kWh in  
20 2003 and 5.1¢ per kWh in 2004.

THE NARRAGANSETT ELECTRIC COMPANY

Re: Standard Offer Rate Filing for June 1, 2003

Witness: Lloyd

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1 The Fuel Index Adjustment Provisions were designed to provide additional payments to  
2 Standard Offer suppliers in the event of substantial increases in the market price of No. 6  
3 residual fuel oil (1% sulphur) and/or natural gas. The fuel index adjustment provision is  
4 described more fully in the testimony of Mr. Hager.

5  
6 Q. Does the current retail Standard Offer Rate reflect any fuel index adjustment costs?

7 A. No, it does not. When the Company filed its Standard Offer rate proposal in November  
8 2001, the natural gas and fuel oil price estimates available at that time indicated that the  
9 Company would likely not incur any additional fuel index payments pursuant to the Fuel  
10 Index Adjustment Provision beyond March 2002. The Company proposed to use the  
11 over recovery in the Standard Offer reconciliation for the period ending September 2001  
12 to offset fuel index payments expected to be incurred through March 2002. However,  
13 fuel prices increased during 2002 above the original estimates, and the Company began  
14 to make fuel index payments in the months of August 2002 under the former EUA  
15 contracts and October 2002 under the former NEES contracts. As explained in more  
16 detail in Mr. Hager's testimony, this occurs because the fuel index payments under the  
17 former EUA contracts are based on a 6-month rolling average index, while the NEES  
18 contracts are based on a 12-month rolling average index. Based upon the current forecast  
19 of fuel prices, the Company now expects to incur significant fuel index payments through  
20 December 2004 under all of its Standard Offer contracts.



1 Q. Has the Company prepared an estimate of costs expected to be incurred under the Fuel  
2 Index Adjustment Provision through December 2004?

3 A. Yes. The Company's Energy Supply Department has provided an estimate of expected  
4 costs under the fuel index adjustment provision that is explained in detail in the testimony  
5 of Mr. Hager. As explained in more detail below, the Company is proposing a Standard  
6 Offer rate increase that takes into account estimated costs through December 2003.  
7 However we have also provided an estimate of 2004 index payments as well for analysis  
8 of potential impact to the Company's rates in 2004.

9  
10 Q. Is the Company also proposing to a Standard Offer rate increase for 2004?

11 A. No. However, data related to 2004 have been provided here for comparison purposes and  
12 to analyze rate stability issues.

13  
14 Standard Offer Reconciliation

15 Q. Please describe the Company's projection of the Standard Offer reconciliation balance  
16 through December 31, 2004 based upon current estimated fuel prices.

17 A. This reconciliation is included as Exhibit JAL-1. The Company has prepared an  
18 estimated reconciliation through December 2004, showing key balances during the  
19 period October 2003 through December 2004. Page 1 of Exhibit JAL-1 reflects an  
20 estimated Standard Offer deferral balance of approximately \$3 million for the period

THE NARRAGANSETT ELECTRIC COMPANY

Re: Standard Offer Rate Filing for June 1, 2003

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1       October 2002 through September 2003. Page 2 of Exhibit JAL-1 provides the estimated  
2       Standard Offer deferral balance at the end of September 2004 and December 2004.  
3       Section 1 on page 2 reflects an estimated September 2004 balance of approximately  
4       \$100.4 million and Section 2 on page 2 reflects an estimated December 2004 balance of  
5       approximately \$113.9 million. All deferral balances are cumulative from the start of the  
6       current Standard Offer reconciliation period, October 2001.

7  
8       Q.     Please describe the Standard Offer reconciliation process in more detail.

9       A.     The Company is required to reconcile Standard Offer revenues and expenses in  
10       accordance with the Standard Offer Adjustment Provision, R.I.P.U.C. No. 1153. This  
11       provision requires that, on an annual basis, the Company reconcile its total cost of  
12       purchased power for Standard Offer supply against its total Standard Offer revenue, and  
13       the excess or deficiency be refunded to, or collected from customer through a rate  
14       recovery/refund methodology approved by the Commission at the time that the Company  
15       files its annual reconciliation. Total revenues are all revenue collected from Standard  
16       Offer customers through the Standard Offer rates for the applicable 12-month  
17       reconciliation period. If there is a positive or negative balance in the current Standard  
18       Offer reconciliation outstanding from the prior period, the balance shall be credited  
19       against or added to the new reconciliation amount, as appropriate, in estimating the  
20       Standard Offer balance for the new reconciliation period.

1 In RIPUC Docket No. 3402, the Company implemented a three-year “levelized”  
2 Standard Offer rate based on a weighted average of the wholesale rates to be in effect  
3 during the three year period. The retail rate was designed to be higher than the wholesale  
4 rate in the first year, approximately equal to the wholesale rate in the second year, and  
5 lower than the wholesale rate in the third year. Thus, the implementation of the three-  
6 year retail Standard Offer essentially extended the one-year reconciliation period to a  
7 three-year period.

8  
9 Q. Please explain the Standard Offer rate over recovery as reflected in the beginning balance  
10 for October 2002.

11 A. As explained above, October 2002 began the second year of the three-year reconciliation  
12 period.<sup>1</sup> The beginning balance shown on page 1 of Exhibit JAL-1 in Column (a) of  
13 approximately \$29.3 million was the over recovery of expenses incurred for the period  
14 October 2001 through September 2002. The reconciliation for this period was filed in  
15 November 2002 in Docket No. 3479, Exhibit JAL-6 as part of the Company’s annual  
16 reconciliation filing.

17  
18 The Company’s wholesale costs for Standard Offer supply for the period January 2002

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<sup>1</sup> The Company’s reconciliation periods run from October to the following September, rather than on a January to December calendar year basis. This ensures that when the Company makes its annual filing in December of each year, actual revenue and expense information will be available.

1 through December 2002 were incurred at a price of 4.2¢ per kWh compared to the retail  
2 rate of 4.662¢ per kWh in effect for the same period. This produced an over recovery of  
3 Standard Offer expense for the period ending September 2002 which was anticipated in  
4 the design of the three-year levelized Standard Offer rate. Conversely, during the final  
5 year of the levelized rate period, calendar year 2004, an under recovery of base Standard  
6 Offer expenses was expected when the wholesale price rose to 5.1¢ per kWh. If no fuel  
7 payments had been incurred during the three-year period, over and under recoveries  
8 occurring in each year would have, in effect, offset one another and resulted in a  
9 reconciliation balance at December 31, 2004 of approximately \$0.  
10

11 Q. How are the Standard Offer revenues calculated?

12 A. The Standard Offer revenues are shown on pages 1 and 2, Column (b) of Exhibit JAL-1.  
13 Revenues for the period October 2002 through March 2003 are actual Standard Offer  
14 revenues collected from customers. Revenues for the period April 2003 through  
15 December 2004 have been estimated.  
16

17 The estimated revenues are calculated by applying the current retail rate of 4.662 cents  
18 per kWh to the Company's projected Standard Offer kWh deliveries for the period April  
19 2003 through December 2004. The calculation of estimated revenues is shown on page 4  
20 of Exhibit JAL-1.

1 Q. Please describe the Standard Offer expenses shown in Columns (c) and (d).

2 A. The base Standard Offer expense and fuel index payments shown in Columns (c) and (d)  
3 on pages 1 and 2 of Exhibit JAL-1 are actual expenses taken from the monthly Standard  
4 Offer supplier bills for the period October 2002 through March 2003. For the period  
5 April 2003 through December 2004, these expenses have been estimated.

6  
7 The calculation of estimated expenses is shown on page 5 of Exhibit JAL-1. Base  
8 Standard Offer expenses, shown in Column (e) are determined by applying the base  
9 Standard Offer charge in effect in each year to the Company's projected Standard Offer  
10 kWh deliveries. Estimated fuel expenses are calculated by applying the projected  
11 Standard Offer kWh deliveries to the estimated fuel index cost per kWh as shown in  
12 Column (f). The estimated fuel index cost per kWh is developed in Exhibit MJH-4.

13  
14 Q. Why are there no fuel expenses shown in Exhibit JAL-1, page 1, Column (d), for the  
15 months of December 2002 through April 2003?

16 A. In December 2001, Narragansett received a lump sum payment of \$20 million to  
17 facilitate the transfer of the Standard Offer supply contract between Narragansett and  
18 NEP to another supplier. In R.I.P.U.C. Docket No. 3479, filed November 2002, the  
19 Company proposed to retain that money in an interest bearing account to offset any fuel  
20 index payments that the Company might incur pursuant to the Fuel Index Adjustment

1 Provision. The Commission approved the Company's request at the Open Meeting held  
2 December 20, 2002 and directed the Company to use the \$20 million plus accumulated  
3 interest to offset fuel index payments as they are incurred.  
4

5 Page 3 of Exhibit JAL-1 shows how the \$20 million is being used to offset fuel index  
6 payments. For the period December 2001 through November 2002, the \$20 million  
7 accrued interest at the interest rate on customer deposits, accumulating a total of \$1.1  
8 million in interest. In December 2002, per the Commission order in Docket No. 3479,  
9 the Company began deducting fuel index payments incurred from the balance in the  
10 account. Fuel index payments for the period December 2002 through March 2003 are  
11 actual payments and, for April 2003 and May 2003, the fuel index payments have been  
12 estimated as detailed on page 5 of Exhibit JAL-1. Page 3 of Exhibit JAL-1 shows that, if  
13 current fuel price estimates prove accurate, the balance of the funds in this account will  
14 be depleted by May 2003.  
15

16 Calculation of Proposed Standard Offer Rate

17 Q. What is the Company's Standard Offer rate proposal?

18 A. The Company is proposing a Standard Offer rate of 5.6 cents per kWh effective June 1,  
19 2003.  
20

1 Q. How is the proposed Standard Offer rate calculated?

2 A. The calculation of the proposed rate is shown in Exhibit JAL-2, page 1, Section 1. Line 1  
3 of Section 1 shows the expected fuel index payments for the period October 2002  
4 through December 2003 that will not be recovered by the \$20 million are approximately  
5 \$72.6 million. The over recovery that will exist in the base reconciliation account as of  
6 May 31, 2003, estimated to be approximately \$35 million as shown in Exhibit JAL-1,  
7 page 1 Column (i), is subtracted from the estimated fuel index payments of  
8 approximately \$72.6 million leaving an estimated balance of approximately \$37.6 million  
9 to be recovered during 2003 in order for the Company to balance its revenues and  
10 expenses by the end of 2003. Dividing this amount by the estimated Standard Offer kWh  
11 deliveries for the period June 2003 through December 2003 results in a fuel index  
12 adjustment of 0.90 cents per kWh. This adjustment is added to the 2003 base wholesale  
13 Standard Offer charge of 4.7 cents per kWh resulting in a total Standard Offer rate of 5.6  
14 cents per kWh.

15  
16 Q. Why is the Company proposing to use the estimated over recovery that is expected to be  
17 accrued by May 31, 2003 in the calculation of the proposed Standard Offer rate?

18 A. Including the over recovery in the calculation of the Standard Offer rate for the remainder  
19 of 2003 results in a more stable rate trajectory for customers. The estimated over  
20 recovery of approximately \$35 million through May 31, 2003 results primarily from the

1 first year of the three-year levelized Standard Offer when the retail rate was higher than  
2 the base wholesale rate and was intended to be used to offset the under recovery that  
3 would be incurred during 2004, the last year of the three-year period. However, expected  
4 fuel index payments for the period June 2003 through December 2003 will be  
5 approximately \$72.6 million, as compared to approximately \$52.8 million projected for  
6 the period January 2004 through December 2004. (Exhibit JAL-2, page 1) If the over  
7 recovery is not used in the calculation of the Standard Offer rate proposed for June 1,  
8 2003, the rate would have to be increased to 6.5 cents per kWh in order to recover all  
9 expected fuel index payments through December 2003. Therefore, the Company is  
10 proposing to use all of the over recovery during 2003 to mitigate the increase in Standard  
11 Offer proposed for June 1, 2003.

12  
13 Q. Based on the current fuel price estimates, what would the Standard Offer rate be if the  
14 Company had proposed a rate that was levelized for the period June 2003 through  
15 December 2004?

16 A. A levelized Standard Offer rate would be 5.746 cents per kWh for the period June 2003  
17 through December 2004. The calculation of a levelized factor is shown on page 2 of  
18 Exhibit JAL-2.

19  
20 Q. Why hasn't the Company proposed to implement the 5.746 cents per kWh rate at this



1 time?

2 A. The volatility of fuel prices makes it difficult to accurately project fuel index payments  
3 for the entire 19 month period. Rather than set a price of 5.746 cents per kWh to be in  
4 effect through December 2004, the Company is proposing to reevaluate the Standard  
5 Offer rate at the end of this year as part of its normal reconciliation process and filing that  
6 it typically makes in November of each year. At that time we will evaluate the adequacy  
7 of the then-current Standard Offer rate and will propose a Standard Offer rate for 2004  
8 which will take in account actual expenses to date and the Company's estimate of 2004  
9 expenses based on the fuel price information available at that point in time.

10  
11 Q. Based on the current fuel price estimates, what would the 2004 Standard Offer rate likely  
12 be?

13 A. As calculated in Exhibit JAL-2, page 1, Section 2, the 2004 Standard Offer rate effective  
14 January 1, 2004 would be 5.8 cents per kWh based on current fuel price estimates.

15  
16 Q. What if the fuel price estimates prove to be incorrect and the expected fuel index  
17 payments are significantly different than those currently projected?

18 A. The Company intends to keep the Commission and the Division apprised of the ongoing  
19 status of the Standard Offer reconciliation balance and any changes in forecasted fuel  
20 prices that could affect the projected balance through December 2004. Presently the

1 Company files an informational report on a quarterly basis which contains the status of  
2 the current period reconciliation and a projection of the balance through December 2004  
3 based on the current month's estimate of fuel prices. Because of the recent volatility of  
4 fuel prices, the Company is proposing to file this report on a monthly, rather than  
5 quarterly, basis beginning June 2003 in order to provide the Commission and the  
6 Division with more timely information and to monitor the need for future filings to make  
7 further adjustments to the Standard Offer rate.

8  
9 **IV. Revised Standard Offer Tariff**

10 Q. Has the Company prepared a revised Standard Offer tariff reflecting the proposed rate?

11 A. The Company's revised Standard Offer tariff is included in Exhibit JAL-3. Exhibit JAL-  
12 4 is a marked to show changes version of the tariff.

13  
14 **V. Typical Bills**

15 Q. Has the Company provided a typical bill analysis to illustrate the impact of the proposed  
16 rate changes?

17 A. Yes it has. The typical bill analysis for each rate class is in Exhibit JAL-5.

18  
19 Q. What is the impact on a typical residential customer of the Company's proposed rate  
20 changes?

THE NARRAGANSETT ELECTRIC COMPANY

Re: Standard Offer Rate Filing for June 1, 2003

Witness: Lloyd

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1     A.     Exhibit JAL-5, page 1, shows that for a 500 kWh residential customer the monthly bill  
2            would increase by \$4.89, from \$54.61 to \$59.50, or 9.0%.

3

4     **VI.    Conclusion**

5     Q.     Does this conclude your testimony?

6     A.     Yes it does.

## Exhibits

### Table of Contents

Exhibit JAL-1	Projected Standard Offer Reconciliation for the period October 2002 through December 2004
Exhibit JAL-2	Calculation of Proposed Standard Offer Charge
Exhibit JAL-3	Proposed Standard Offer Tariff
Exhibit JAL-4	Proposed Standard Offer Tariff – Marked to Show Changes Version
Exhibit JAL-5	Typical Bill Analysis

THE NARRAGANSETT ELECTRIC COMPANY  
Re: Standard Offer Rate Filing for June 1, 2003  
Witness: Lloyd

**Exhibit JAL-1**  
**Projected Standard Offer Reconciliation for the period**  
**October 2002 through December 2004**

**The Narragansett Electric Company**  
Standard Offer Reconciliation  
Projected Balance at Year Ending September 2003

**Projected Balance @ September 30, 2003**

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (1) (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Adjustments (g)	Over(Under) Ending Monthly Balance (h)	Monthly Balance Including Unbilled (i)
(2) Oct-02	\$29,292,626	8,764,579	\$21,526,390	\$1,397,670	\$22,924,059	(\$14,159,480)		\$15,133,146	\$ 27,431,450
(2) Nov-02	15,133,146	24,596,608	21,674,349	\$1,927,376	23,601,725	994,883		16,128,028	29,994,233
(2) Dec-02	16,128,028	27,732,410	23,597,432	\$0	23,597,432	4,134,978	665,394	20,928,400	35,196,883
(2) Jan-03	20,928,400	28,536,965	26,789,331	\$0	26,789,331	1,747,634		22,676,034	36,176,485
(2) Feb-03	22,676,034	27,000,901	23,974,342	\$0	23,974,342	3,026,560		25,702,594	38,561,953
(2) Mar-03	25,702,594	25,718,718	24,885,065	\$0	24,885,065	833,654		26,536,248	38,212,284
(3) Apr-03	26,536,248	23,352,073	23,542,416	\$0	23,542,416	(190,343)		26,345,905	37,561,474
(3) May-03	26,345,905	22,431,138	22,613,974	\$3,163,660	25,777,634	(3,346,496)		22,999,409	35,029,094
(3) Jun-03	22,999,409	24,059,370	24,255,478	\$8,030,111	32,285,589	(8,226,220)		14,773,189	28,250,258
(3) Jul-03	14,773,189	26,954,139	27,173,842	\$9,718,985	36,892,827	(9,938,688)		4,834,501	18,611,508
(3) Aug-03	4,834,501	27,554,013	27,778,606	\$10,390,381	38,168,987	(10,614,974)		(5,780,473)	7,510,921
(3) Sep-03	(5,780,473)	26,582,787	26,799,464	\$10,143,882	36,943,346	(10,360,559)		(16,141,032)	(3,591,737)
* '(3) Oct-03	(16,141,032)	12,549,295				12,549,295		(3,591,737)	
Totals	\$29,292,626	\$305,832,997	\$294,610,688	\$44,772,065	\$339,382,753	(\$33,549,757)	\$665,394	(3,591,737)	
Interest (4)								\$618,106	
Ending Balance@ September 30, 2003 with Interest								(\$2,973,630)	

- (1) Per order in RIPUC 3479, beginning in December 2002, fuel expense will be deducted from the balance of the \$20 million supplier lump sum payment shown on page 3 until the balance in that account has been depleted.  
 (2) Actual revenues and expenses  
 (3) Estimated revenues and expenses  
 (4) Interest expense calculation :  $(29,292,626 + -3,591,737)/2 * ((5.09\% * 5/12) + (4.61\% * 7/12))$

\* For September usage billed in October

Column Notes:

Column (a)	Column (g) from previous row; beginning balance from period ending September 30, 2002, Exhibit JAL-6, RIPUC Docket No. 3479
Column (b)	from Page 4
Column (c)	from Page 5
Column (d)	from Page 5
Column (e)	Column (c) + Column (d)
Column (f)	Column (b) - Column (e)
Column (g)	Dec: 2001 Last Resort Service over recovery per order in RIPUC Docket No. 3479.
Column (h)	Column (a) + Column (f) + Column (g)
Column (i)	Column (g) + 50% of next month's Column (b)

**The Narragansett Electric Company**  
Standard Offer Reconciliation  
Projected Balance at Year Ending December 31, 2004

**Section 1. Projected Balance @ September 30, 2004**

	Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Over(Under) Ending Monthly Balance (g)	Monthly Balance Including Unbilled (h)
(1)	Oct-03	(\$2,973,630)	\$12,549,295	\$25,303,169	\$9,152,210	\$34,455,379	(\$21,906,084)	(\$24,879,714)	(\$12,561,759)
(1)	Nov-03	(24,879,714)	24,635,910	24,836,717	9,173,732	34,010,449	(9,374,540)	(34,254,254)	(21,646,218)
(1)	Dec-03	(34,254,254)	25,216,070	25,421,607	9,508,763	34,930,369	(9,714,299)	(43,968,553)	(29,775,335)
(1)	Jan-04	(43,968,553)	28,386,435	31,053,372	7,732,899	38,786,271	(10,399,835)	(54,368,388)	(41,226,862)
(1)	Feb-04	(54,368,388)	26,283,051	28,752,373	6,787,815	35,540,188	(9,257,136)	(63,625,524)	(51,111,433)
(1)	Mar-04	(63,625,524)	25,028,182	27,379,607	5,379,288	32,758,895	(7,730,713)	(71,356,237)	(59,439,406)
(1)	Apr-04	(71,356,237)	23,833,662	26,072,861	4,841,372	30,914,234	(7,080,571)	(78,436,808)	(66,996,135)
(1)	May-04	(78,436,808)	22,881,346	25,031,073	4,304,363	29,335,436	(6,454,090)	(84,890,898)	(72,636,110)
(1)	Jun-04	(84,890,898)	24,509,578	26,812,279	4,221,620	31,033,899	(6,524,321)	(91,415,220)	(77,695,344)
(1)	Jul-04	(91,415,220)	27,439,752	30,017,746	4,284,886	34,302,632	(6,862,881)	(98,278,101)	(84,255,873)
(1)	Aug-04	(98,278,101)	28,044,454	30,679,262	3,928,149	34,607,410	(6,562,956)	(104,841,056)	(91,336,226)
(1)	Sep-04	(104,841,056)	27,009,660	29,547,247	3,389,243	32,936,490	(5,926,830)	(110,767,887)	(98,040,359)
*	(1)	(110,767,887)	12,727,527				12,727,527	(98,040,359)	
	Totals	(\$2,973,630)	\$308,544,923	\$330,907,313	\$72,704,339	\$403,611,652	(\$95,066,729)	(\$98,040,359)	
	Interest (2)							(\$2,328,372)	
	Ending Balance@ September 30, 2004 with Interest							(\$100,368,732)	

(1) Estimated revenues and expenses

(2) Interest expense calculation :  $(-2,973,630 + -98,040,359)/2 * (4.61\%)$ 

\* For September usage billed in October

**Section 2. Projected Balance @ December 31, 2004**

	Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Over(Under) Ending Monthly Balance (g)	Monthly Balance Including Unbilled (h)
(1)	Oct-04	(\$100,368,732)	\$12,727,527	\$27,846,585	\$2,877,480	\$30,724,065	(\$17,996,538)	(\$118,365,270)	(\$105,873,508)
(1)	Nov-04	(118,365,270)	24,983,523	27,330,753	2,566,947	29,897,700	(4,914,176)	(123,279,446)	(110,492,575)
(1)	Dec-04	(123,279,446)	25,573,742	27,976,423	2,457,537	30,433,960	(4,860,218)	(128,139,664)	(112,670,822)
*	(1)	(128,139,664)	15,468,842				15,468,842	(112,670,822)	
	Totals	(\$100,368,732)	\$78,753,634	\$83,153,761	\$7,901,964	\$91,055,725	(\$12,302,091)	(\$112,670,822)	
	Interest (3)							(\$1,227,640)	
	Ending Balance@ December 31, 2004 with Interest							(\$113,898,463)	

\* For December usage billed in January

(1) Estimated revenues and expenses

(3) Interest expense calculation :  $(-100,368,732 + -112,670,822)/2 * (4.61\% * 3/12)$ Column Notes:

Column (a)	Column (g) from previous row; beginning balance from Page 1.
Column (b)	from Page 4
Column (c)	from Page 5
Column (d)	from Page 5
Column (e)	Column (c) + Column (d)
Column (f)	Column (b) - Column (e)
Column (g)	Column (a) + Column (f)
Column (h)	Column (g) + 50% of next month's Column (b)

**The Narragansett Electric Company**  
**Standard Offer Reconciliation**  
**\$20 Million Lump Sum Payment Account**

	<u>Beginning</u> <u>Balance</u>	<u>Fuel</u> <u>Payments</u>	<u>Ending</u> <u>Balance</u>	<u>Interest</u> <u>Balance</u>	<u>Interest</u> <u>Rate</u>	<u>Interest</u>	<u>Ending</u> <u>Balance w/</u> <u>Interest</u>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dec-01 \$	20,000,000		20,000,000	20,000,000	0.503%	100,500	20,100,500
Jan-02	20,100,500		20,100,500	20,100,500	0.503%	101,005	20,201,505
Feb-02	20,201,505		20,201,505	20,201,505	0.503%	101,513	20,303,018
Mar-02	20,303,018		20,303,018	20,303,018	0.424%	86,119	20,389,136
Apr-02	20,389,136		20,389,136	20,389,136	0.424%	86,484	20,475,620
May-02	20,475,620		20,475,620	20,475,620	0.424%	86,851	20,562,471
Jun-02	20,562,471		20,562,471	20,562,471	0.424%	87,219	20,649,690
Jul-02	20,649,690		20,649,690	20,649,690	0.424%	87,589	20,737,279
Aug-02	20,737,279		20,737,279	20,737,279	0.424%	87,961	20,825,240
Sep-02	20,825,240		20,825,240	20,825,240	0.424%	88,334	20,913,573
Oct-02	20,913,573		20,913,573	20,913,573	0.424%	88,708	21,002,282
Nov-02	21,002,282		21,002,282	21,002,282	0.424%	89,085	21,091,367
(1) Dec-02	21,091,367	2,910,091	18,181,275	19,636,321	0.424%	83,291	18,264,566
(1) Jan-03	18,264,566	972,306	17,292,260	17,778,413	0.424%	75,410	17,367,670
(1) Feb-03	17,367,670	2,584,631	14,783,039	16,075,354	0.424%	68,186	14,851,225
(1) Mar-03	14,851,225	5,098,542	9,752,683	12,301,954	0.384%	47,260	9,799,943
(2) Apr-03	9,799,943	6,231,227	3,568,717	6,684,330	0.384%	25,679	3,594,396
(2) May-03	3,594,396	3,601,287	(6,891)	1,793,752	0.384%	6,891	(0)
Jun-03	(0)	0	(0)	(0)	0.384%	(0)	(0)
Jul-03	(0)	0	(0)	(0)	0.384%	(0)	(0)
Aug-03	(0)	0	(0)	(0)	0.384%	(0)	(0)
Sep-03	(0)	0	(0)	(0)	0.384%	(0)	(0)
Oct-03	(0)	0	(0)	(0)	0.384%	(0)	(0)
Nov-03	(0)	0	(0)	(0)	0.384%	(0)	(0)
Dec-03	(0)	0	(0)	(0)	0.384%	(0)	(0)
Jan-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Feb-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Mar-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Apr-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
May-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Jun-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Jul-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Aug-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Sep-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Oct-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Nov-04	(0)	0	(0)	(0)	0.384%	(0)	(0)
Dec-04	(0)	0	(0)	(0)	0.384%	(0)	(0)

(1) actual expenses

(2) estimated expenses

Column Notes:

column (1) from prior month column (7)

column (2) pursuant to RIPUC order in Docket No. 3749, fuel index payments will be deducted from the balance of the \$20 million lump sum payment

column (3) column (1) - column (2)

column (4) (column (1) + column (3))/2

column (5) customer deposits rate (6.03% eff. 03/01/01, 5.09% eff.03/01/02, 4.61% eff. 03/01/03)

column (6) column (4) \* column (5)

column (7) column (3) + column (6)



The Narragansett Electric Company  
Standard Offer Reconciliation  
Estimated Revenue for April 2003 through January 2005

(1) Standard Offer Deliveries as % of Total Deliveries for March 2003 86.3%

<u>Month</u>	<u>Estimated Total Company kWh Deliveries</u> (a)	<u>Estimated Standard Offer Deliveries</u> (b)	<u>Standard Offer Rate</u> (c)	<u>Total Revenues</u> (d)	
Apr-03	580,420,000	500,902,460	\$0.04662	\$23,352,073	\$23,352,073
May-03	557,530,000	481,148,390	\$0.04662	\$22,431,138	\$22,431,138
Jun-03	598,000,000	516,074,000	\$0.04662	\$24,059,370	\$24,059,370
Jul-03	669,950,000	578,166,850	\$0.04662	\$26,954,139	\$26,954,139
Aug-03	684,860,000	591,034,180	\$0.04662	\$27,554,013	\$27,554,013
Sep-03	660,720,000	570,201,360	\$0.04662	\$26,582,787	\$26,582,787
Oct-03	623,830,000	538,365,290	\$0.04662	\$25,098,590	\$25,098,590
Nov-03	612,330,000	528,440,790	\$0.04662	\$24,635,910	\$24,635,910
Dec-03	626,750,000	540,885,250	\$0.04662	\$25,216,070	\$25,216,070
Jan-04	705,550,000	608,889,650	\$0.04662	\$28,386,435	\$28,386,435
Feb-04	653,270,000	563,772,010	\$0.04662	\$26,283,051	\$26,283,051
Mar-04	622,080,000	536,855,040	\$0.04662	\$25,028,182	\$25,028,182
Apr-04	592,390,000	511,232,570	\$0.04662	\$23,833,662	\$23,833,662
May-04	568,720,000	490,805,360	\$0.04662	\$22,881,346	\$22,881,346
Jun-04	609,190,000	525,730,970	\$0.04662	\$24,509,578	\$24,509,578
Jul-04	682,020,000	588,583,260	\$0.04662	\$27,439,752	\$27,439,752
Aug-04	697,050,000	601,554,150	\$0.04662	\$28,044,454	\$28,044,454
Sep-04	671,330,000	579,357,790	\$0.04662	\$27,009,660	\$27,009,660
Oct-04	632,690,000	546,011,470	\$0.04662	\$25,455,055	\$25,455,055
Nov-04	620,970,000	535,897,110	\$0.04662	\$24,983,523	\$24,983,523
Dec-04	635,640,000	548,557,320	\$0.04662	\$25,573,742	\$25,573,742
Jan-05	705,550,000	608,889,650	\$0.05500	\$30,937,683	\$30,937,683

Column Notes:

- (a) Per Company forecast  
 (b) Column (a) x Line (1)  
 (c) Per currently effective tariff  
 (d) Column (b) x Column (c)  
 (1) From Page 5, Line (3)

The Narragansett Electric Company  
Standard Offer Reconciliation  
Estimated Standard Offer Expenses (April 2003 through December 2004)

**Section 1. Estimation of Standard Offer kWh Deliveries**Mar-03

(1) Standard Offer kWhs	552,286,014
(2) Total kWh Deliveries	639,785,878
(3) Percentage of Standard Offer kWhs to Total kWhs	86.3%

## Notes:

- (1) Company revenue reports
- (2) Company revenue reports
- (3) Line (1) ÷ Line (2)

**Section 2. Calculation of Projected Expenses**

	Projected Total Company kWh Deliveries (a)	% of Standard Offer kWhs to Total kWhs (b)	Projected Standard Offer kWh Deliveries (c)	Base Standard Offer Charge (d)	Base Standard Offer Expenses (e)	Projected Fuel Index Cost per kWh (f)	Projected Fuel Index Payments (g)	Total Projected Standard Offer Expenses (h)
Apr-03	580,420,000	86.3%	500,902,460	\$0.04700	\$23,542,416	\$0.01244	\$6,231,227	\$29,773,642
May-03	557,530,000	86.3%	481,148,390	\$0.04700	\$22,613,974	\$0.01406	\$6,764,946	\$29,378,921
Jun-03	598,000,000	86.3%	516,074,000	\$0.04700	\$24,255,478	\$0.01556	\$8,030,111	\$32,285,589
Jul-03	669,950,000	86.3%	578,166,850	\$0.04700	\$27,173,842	\$0.01681	\$9,718,985	\$36,892,827
Aug-03	684,860,000	86.3%	591,034,180	\$0.04700	\$27,778,606	\$0.01758	\$10,390,381	\$38,168,987
Sep-03	660,720,000	86.3%	570,201,360	\$0.04700	\$26,799,464	\$0.01779	\$10,143,882	\$36,943,346
Oct-03	623,830,000	86.3%	538,365,290	\$0.04700	\$25,303,169	\$0.01700	\$9,152,210	\$34,455,379
Nov-03	612,330,000	86.3%	528,440,790	\$0.04700	\$24,836,717	\$0.01736	\$9,173,732	\$34,010,449
Dec-03	626,750,000	86.3%	540,885,250	\$0.04700	\$25,421,607	\$0.01758	\$9,508,763	\$34,930,369
Jan-04	705,550,000	86.3%	608,889,650	\$0.05100	\$31,053,372	\$0.01270	\$7,732,899	\$38,786,271
Feb-04	653,270,000	86.3%	563,772,010	\$0.05100	\$28,752,373	\$0.01204	\$6,787,815	\$35,540,188
Mar-04	622,080,000	86.3%	536,855,040	\$0.05100	\$27,379,607	\$0.01002	\$5,379,288	\$32,758,895
Apr-04	592,390,000	86.3%	511,232,570	\$0.05100	\$26,072,861	\$0.00947	\$4,841,372	\$30,914,234
May-04	568,720,000	86.3%	490,805,360	\$0.05100	\$25,031,073	\$0.00877	\$4,304,363	\$29,335,436
Jun-04	609,190,000	86.3%	525,730,970	\$0.05100	\$26,812,279	\$0.00803	\$4,221,620	\$31,033,899
Jul-04	682,020,000	86.3%	588,583,260	\$0.05100	\$30,017,746	\$0.00728	\$4,284,886	\$34,302,632
Aug-04	697,050,000	86.3%	601,554,150	\$0.05100	\$30,679,262	\$0.00653	\$3,928,149	\$34,607,410
Sep-04	671,330,000	86.3%	579,357,790	\$0.05100	\$29,547,247	\$0.00585	\$3,389,243	\$32,936,490
Oct-04	632,690,000	86.3%	546,011,470	\$0.05100	\$27,846,585	\$0.00527	\$2,877,480	\$30,724,065
Nov-04	620,970,000	86.3%	535,897,110	\$0.05100	\$27,330,753	\$0.00479	\$2,566,947	\$29,897,700
Dec-04	635,640,000	86.3%	548,557,320	\$0.05100	\$27,976,423	\$0.00448	\$2,457,537	\$30,433,960

Total Expected Fuel Payments through December 2004 ..... \$131,885,835

Column Notes:

- (a) Per Company forecast
- (b) Section 1, Line (3)
- (c) Column (a) x Column (b)
- (d) Per standard offer contract
- (e) Column (c) x Column (d)
- (f) Company estimate based on fuel prices as reported on 3/26/03, 3/27/03 & 3/28/03
- (g) Column (c) x Column (f)
- (h) Column (e) + Column (g)

THE NARRAGANSETT ELECTRIC COMPANY  
Re: Standard Offer Rate Filing for June 1, 2003  
Witness: Lloyd

**Exhibit JAL-2**  
**Calculation of the Proposed Standard Offer Charge**

**The Narragansett Electric Company**  
**Calculation of Proposed Standard Offer Charge**

**Section 1. Calculation of Proposed Standard Offer Charge for June 1, 2003**

1. Estimated Fuel Expense October 2002 through December 2003 not recovered by \$20 million lump sum payment	\$72,606,770
2. less: Over recovery in base reconciliation @ May 31, 2003	<u>\$35,029,094</u>
3. Remaining Fuel Expense to be recovered in 2003	\$37,577,676
4. Projected kWhs for June 2003 through December 2003	3,863,167,720
5. Estimated Fuel Adder for the period June 2003 through December 2003	\$0.00900
6. Base Standard Offer Charge for 2003	\$0.04700
<b>7. Total Standard Offer Charge effective June 1, 2003</b>	<b>\$0.05600</b>

- 
1. from Exhibit JAL-1, Page 1, Column (d) + Exhibit JAL-1, page 2, Section 1, Column (d) for October 2003 to December 2003
  2. from Exhibit JAL-1, Page 1, Column (i), May 2003
  3. Line 1 - Line 2
  4. from Exhibit JAL-1, Page 4, Column (b) for June 2003 to December 2003
  5. Line 3 ÷ Line 4, truncated to three places
  6. per wholesale contract
  7. Line 5 + Line 6

**Section 2. Estimated Standard Offer Charge for January 1, 2004**

8. Estimated Fuel Expense January 2004 through December 2004	52,771,598
9. Projected kWhs for January 2004 through December 2004	6,637,246,700
10. Estimated Fuel Adder for the period January 2004 through December 2004	\$0.00700
11. Base Standard Offer Charge for 2004	\$0.05100
<b>12. Total Standard Offer Charge effective January 1, 2004</b>	<b>\$0.05800</b>

8. from Exhibit JAL-1, Page 5, Column (g) for January 2004 to December 2004
9. from Exhibit JAL-1, Page 4, Column (b) for January 2004 to December 2004
10. Line 8 ÷ Line 9, truncated to three places
11. per wholesale contract
12. Line 10 + Line 11

**The Narragansett Electric Company**  
**Calculation of Standard Offer Charge Necessary to Eliminate Under Recovery Projected at December 2004**

	<u>01-Jun-2003</u>
1. Under Recovery as of December 31, 2004	\$113,898,463
2. Estimated Standard Offer kWh sales for the period June 2003 through December 2004	10,500,414,420
3. Standard Offer Increase	\$0.01084
4. Current Standard Offer Charge	\$0.04662
<b>5. Estimated Standard Offer Charge effective June 1, 2003</b>	<b>\$0.05746</b>

- 
1. from Exhibit JAL-1, Page 2, Section 2, final balance
  2. from Exhibit JAL-1, Page 4, Column (b) for June 2003 to December 2004
  3. Line 1. ÷ Line 2, truncated to five places
  4. per retail tariff
  5. Line 3. + Line 4.

THE NARRAGANSETT ELECTRIC COMPANY  
Re: Standard Offer Rate Filing for June 1, 2003  
Witness: Lloyd

**Exhibit JAL-3**  
**Proposed Standard Offer Tariff**

**THE NARRAGANSETT ELECTRIC COMPANY  
STANDARD OFFER SERVICE**

**AVAILABILITY**

All Customers (including new Customers) who have not elected to take their electric supply from a non-regulated power producer will receive their power supply under this Standard Offer Rate until the Customer either : (1) takes its electric supply from a non-regulated power producer; or (2) takes Last Resort Service.

Customers who leave Standard Offer Service may not return to Standard Offer Service.

Standard Offer Service may be terminated by a Customer upon the next scheduled meter read provided that notice of the change of supplier was received in accordance with the Company's Terms and Conditions for Nonregulated Power Producers.

**MONTHLY CHARGE**

The Monthly Charge for Service under this tariff will be the sum of the applicable Standard Offer Service charges in addition to all appropriate Retail Delivery charges as stated in the applicable tariff.

**RATE FOR ALL CLASSES**

Standard Offer per kWh	5.600¢
------------------------	--------

**RATE CHANGES**

The rates set forth in this tariff are effective for usage on and after June 1, 2003 until changes. Any changes will be filed with the Commission and are subject to Commission review and approval.

Effective: June 1, 2003

THE NARRAGANSETT ELECTRIC COMPANY  
Re: Standard Offer Rate Filing for June 1, 2003  
Witness: Lloyd

**Exhibit JAL-4**  
**Proposed Standard Offer Tariff**  
**Marked to Show Changed Version**



THE NARRAGANSETT ELECTRIC COMPANY  
STANDARD OFFER SERVICE

**AVAILABILITY**

All Customers (including new Customers) who have not elected to take their electric supply from a non-regulated power producer will receive their power supply under this Standard Offer Rate until the Customer either : (1) takes its electric supply from anon-regulated power producer; or (2) takes Last Resort Service.

Customers who leave Standard Offer Service may not return to Standard Offer Service.

Standard Offer Service may be terminated by a Customer upon the next scheduled meter read provided that notice of the change of supplier was received in accordance with the Company's Terms and Conditions for Nonregulated Power Producers.

**MONTHLY CHARGE**

The Monthly Charge for Service under this tariff will be the sum of the applicable Standard Offer Service charges in addition to all appropriate Retail Delivery charges a stated in the applicable tariff.

**RATE FOR ALL CLASSES**

Standard Offer per kWh

5.600¢

Deleted: 4.662

**RATE CHANGES**

The rates set forth in this tariff are effective for usage on and after June 1, 2003 until changes. Any changes will be filed with the Commission and are subject to Commission review and approval.

Deleted: January

Deleted: 2002

Effective: June 1, 2003

Deleted: January

Deleted: 2002

THE NARRAGANSETT ELECTRIC COMPANY  
Re: Standard Offer Rate Filing for June 1, 2003  
Witness: Lloyd

**Exhibit JAL-5**  
**Typical Bill Analysis**

Date: 11-Apr-03

## The Narragansett Electric Company

R.I.P.U.C. Docket No. \_\_\_\_\_

Time: 03:28 PM

## Calculation of Monthly Typical Bill

Exhibit JAL-5

## Comparison of Rates in Effect 05/30/03 v. 06/01/03

Page 1 of 23

## Impact on A-16 Rate Customers

Monthly kWh	Rates in Effect 05/03 Standard			Rates in Effect 06/03 Standard			Increase/(Decrease)		Percent of Bills
	Total	Offer	"Wires"	Total	Offer	"Wires"	Amount	% of Total	
120	\$15.12	\$5.83	\$9.29	\$16.29	\$7.00	\$9.29	\$1.17	7.7%	8%
240	\$27.59	\$11.66	\$15.93	\$29.93	\$14.00	\$15.93	\$2.34	8.5%	15%
500	\$54.61	\$24.28	\$30.33	\$59.50	\$29.17	\$30.33	\$4.89	9.0%	34%
700	\$75.39	\$33.99	\$41.40	\$82.23	\$40.83	\$41.40	\$6.84	9.1%	21%
950	\$101.37	\$46.13	\$55.24	\$110.66	\$55.42	\$55.24	\$9.29	9.2%	12%
1,000	\$106.57	\$48.56	\$58.01	\$116.34	\$58.33	\$58.01	\$9.77	9.2%	

Rates in Effect 05/03: A-16

Customer Charge		\$2.54
Transmission Energy Charge (1)	kWh x	\$0.00499
Distribution Energy Charge	kWh x	\$0.03680
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: A-16

Customer Charge		\$2.54
Transmission Energy Charge (2)	kWh x	\$0.00499
Distribution Energy Charge	kWh x	\$0.03680
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

Date: 11-Apr-03

## The Narragansett Electric Company

R.I.P.U.C. Docket No. \_\_\_\_\_

Time: 03:28 PM

Calculation of Monthly Typical Bill  
 Comparison of Rates in Effect 05/30/03 v. 06/01/03  
 Impact on A-18 Rate Customers

Exhibit JAL-5

Page 2 of 23

Monthly kWh	Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills Waterheating	Percent of Bills Spaceheating
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total		
280	\$29.35	\$13.60	\$15.75	\$32.08	\$16.33	\$15.75	\$2.73	9.3%	9%	4%
550	\$55.11	\$26.71	\$28.40	\$60.48	\$32.08	\$28.40	\$5.37	9.7%	21%	6%
1,100	\$110.01	\$53.42	\$56.59	\$120.76	\$64.17	\$56.59	\$10.75	9.8%	46%	22%
1,650	\$166.28	\$80.13	\$86.15	\$182.40	\$96.25	\$86.15	\$16.12	9.7%	17%	23%
2,200	\$222.55	\$106.84	\$115.71	\$244.04	\$128.33	\$115.71	\$21.49	9.7%	4%	18%

Rates in Effect 05/03: A-18Rates in Effect 06/03: A-18

Customer Charge \$2.52  
 Transmission Energy Charge (1) kWh x \$0.00450  
 Distribution Energy Charge kWh x \$0.03574  
 Transition Energy Charge kWh x \$0.00944  
 Credit for 1st 750 kWh kWh x -\$0.00661  
 C&LM Adjustment kWh x \$0.00230  
 S.O. Adj. kWh x \$0.00000  
 Settlement Cr. kWh x -\$0.00038

Customer Charge \$2.52  
 Transmission Energy Charge (2) kWh x \$0.00450  
 Distribution Energy Charge kWh x \$0.03574  
 Transition Energy Charge kWh x \$0.00944  
 Credit for 1st 750 kWh kWh x -\$0.00661  
 C&LM Adjustment kWh x \$0.00230  
 S.O. Adj. kWh x \$0.00000  
 Settlement Cr. kWh x -\$0.00038

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Standard Offer Charge kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on A-32 Rate Customers

Monthly kWh	Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
2,000	\$191.38	\$97.13	\$94.25	\$210.92	\$116.67	\$94.25	\$19.54	10.2%
2,500	\$237.47	\$121.41	\$116.06	\$261.89	\$145.83	\$116.06	\$24.42	10.3%
3,000	\$283.55	\$145.69	\$137.86	\$312.86	\$175.00	\$137.86	\$29.31	10.3%
4,000	\$375.73	\$194.25	\$181.48	\$414.81	\$233.33	\$181.48	\$39.08	10.4%
5,000	\$467.90	\$242.81	\$225.09	\$516.76	\$291.67	\$225.09	\$48.86	10.4%

Rates in Effect 05/03: A-32

Customer Charge		\$2.30
Meter Charge		\$4.44
Transmission Energy Charge (1)	kWh x	\$0.00455
Distribution Energy Charge	kWh x	\$0.02596
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge \$0.04662

Rates in Effect 06/03: A-32

Customer Charge		\$2.30
Meter Charge		\$4.44
Transmission Energy Charge (2)	kWh x	\$0.00455
Distribution Energy Charge	kWh x	\$0.02596
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

Date: 11-Apr-03

## The Narragansett Electric Company

R.I.P.U.C. Docket No. \_\_\_\_\_

Time: 03:28 PM

## Calculation of Monthly Typical Bill

Exhibit JAL-5

Comparison of Rates in Effect 05/30/03 v. 06/01/03

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Impact on A-60 Rate Customers  
Without Control Credit for Water Heater

Monthly kWh	Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
95	\$8.47	\$4.61	\$3.86	\$9.40	\$5.54	\$3.86	\$0.93	11.0%	6.0%
190	\$16.95	\$9.23	\$7.72	\$18.80	\$11.08	\$7.72	\$1.85	10.9%	22.0%
380	\$33.88	\$18.45	\$15.43	\$37.60	\$22.17	\$15.43	\$3.72	11.0%	39.0%
550	\$49.05	\$26.71	\$22.34	\$54.42	\$32.08	\$22.34	\$5.37	10.9%	16.0%
750	\$66.88	\$36.42	\$30.46	\$74.21	\$43.75	\$30.46	\$7.33	11.0%	9.0%

Rates in Effect 05/03: A-60Rates in Effect 06/03: A-60

Customer Charge \$0.00  
Transmission Energy Charge (1) kWh x \$0.00401  
Distribution Energy Charge kWh x \$0.02589  
Transition Energy Charge kWh x \$0.00944  
C&LM Adjustment kWh x \$0.00230  
S.O. Adj. kWh x \$0.00000  
FAS 106 Adjustment, & Settlement Cr. kWh x -\$0.00038  
A-60 Rate Credit kWh x -\$0.00227

Customer Charge \$0.00  
Transmission Energy Charge (2) kWh x \$0.00401  
Distribution Energy Charge kWh x \$0.02589  
Transition Energy Charge kWh x \$0.00944  
C&LM Adjustment kWh x \$0.00230  
S.O. Adj. kWh x \$0.00000  
Settlement Cr. kWh x -\$0.00038  
A-60 Rate Credit kWh x -\$0.00227

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Standard Offer Charge kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on A-60 Rate Customers  
With Control Credit for Water Heater

Monthly kWh	Rates in Effect 05/03			Rates in Effect 06/03			Difference		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
95	\$7.81	\$4.61	\$3.20	\$8.74	\$5.54	\$3.20	\$0.93	11.9%	6.0%
190	\$15.64	\$9.23	\$6.41	\$17.49	\$11.08	\$6.41	\$1.85	11.8%	22.0%
380	\$31.27	\$18.45	\$12.82	\$34.99	\$22.17	\$12.82	\$3.72	11.9%	39.0%
550	\$45.26	\$26.71	\$18.55	\$50.63	\$32.08	\$18.55	\$5.37	11.9%	16.0%
750	\$61.72	\$36.42	\$25.30	\$69.05	\$43.75	\$25.30	\$7.33	11.9%	9.0%

Rates in Effect 05/03: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00401
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
FAS 106 Adjustment, & Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227
Credit for 1st 750 kWh	kWh x	-\$0.00661

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00401
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227
Credit for 1st 750 kWh	kWh x	-\$0.00661

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on C-06 Rate Customers

Monthly kWh	Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
255	\$33.31	\$12.38	\$20.93	\$35.81	\$14.88	\$20.93	\$2.50	7.5%	28%
500	\$59.59	\$24.28	\$35.31	\$64.48	\$29.17	\$35.31	\$4.89	8.2%	16%
1,000	\$113.21	\$48.56	\$64.65	\$122.98	\$58.33	\$64.65	\$9.77	8.6%	21%
1,550	\$172.19	\$75.27	\$96.92	\$187.34	\$90.42	\$96.92	\$15.15	8.8%	13%
2,000	\$220.45	\$97.13	\$123.32	\$239.99	\$116.67	\$123.32	\$19.54	8.9%	6%

Rates in Effect 05/03: C-06

Customer Charge		\$5.73
Transmission Energy Charge (1)	kWh x	\$0.00599
Distribution Energy Charge	kWh x	\$0.03898
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: C-06

Customer Charge		\$5.73
Transmission Energy Charge (2)	kWh x	\$0.00599
Distribution Energy Charge	kWh x	\$0.03898
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.



The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-02 Rate Customers

Hours Use: 200

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	4,000	\$439.74	\$194.25	\$245.49	\$478.82	\$233.33	\$245.49	\$39.08	8.9%	20%
50	10,000	\$1,005.12	\$485.63	\$519.49	\$1,102.82	\$583.33	\$519.49	\$97.70	9.7%	49%
100	20,000	\$1,947.41	\$971.25	\$976.16	\$2,142.83	\$1,166.67	\$976.16	\$195.42	10.0%	20%
150	30,000	\$2,889.70	\$1,456.88	\$1,432.82	\$3,182.82	\$1,750.00	\$1,432.82	\$293.12	10.1%	8%

Rates in Effect 05/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-02 Rate Customers

Hours Use: 300

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	6,000	\$583.31	\$291.38	\$291.93	\$641.93	\$350.00	\$291.93	\$58.62	10.0%	20%
50	15,000	\$1,364.02	\$728.44	\$635.58	\$1,510.58	\$875.00	\$635.58	\$146.56	10.7%	49%
100	30,000	\$2,665.22	\$1,456.88	\$1,208.34	\$2,958.34	\$1,750.00	\$1,208.34	\$293.12	11.0%	20%
150	45,000	\$3,966.41	\$2,185.31	\$1,781.10	\$4,406.10	\$2,625.00	\$1,781.10	\$439.69	11.1%	8%

Rates in Effect 05/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-02 Rate Customers

Hours Use: 400

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	8,000	\$726.86	\$388.50	\$338.36	\$805.03	\$466.67	\$338.36	\$78.17	10.8%	20%
50	20,000	\$1,722.93	\$971.25	\$751.68	\$1,918.35	\$1,166.67	\$751.68	\$195.42	11.3%	49%
100	40,000	\$3,383.03	\$1,942.50	\$1,440.53	\$3,773.86	\$2,333.33	\$1,440.53	\$390.83	11.6%	20%
150	60,000	\$5,043.14	\$2,913.75	\$2,129.39	\$5,629.39	\$3,500.00	\$2,129.39	\$586.25	11.6%	8%

Rates in Effect 05/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-02 Rate Customers

Hours Use: 500

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	10,000	\$870.43	\$485.63	\$384.80	\$968.13	\$583.33	\$384.80	\$97.70	11.2%	20%
50	25,000	\$2,081.83	\$1,214.06	\$867.77	\$2,326.10	\$1,458.33	\$867.77	\$244.27	11.7%	49%
100	50,000	\$4,100.85	\$2,428.13	\$1,672.72	\$4,589.39	\$2,916.67	\$1,672.72	\$488.54	11.9%	20%
150	75,000	\$6,119.86	\$3,642.19	\$2,477.67	\$6,852.67	\$4,375.00	\$2,477.67	\$732.81	12.0%	8%

Rates in Effect 05/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-02 Rate Customers

Hours Use: 600

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	12,000	\$1,013.99	\$582.75	\$431.24	\$1,131.24	\$700.00	\$431.24	\$117.25	11.6%	20%
50	30,000	\$2,440.74	\$1,456.88	\$983.86	\$2,733.86	\$1,750.00	\$983.86	\$293.12	12.0%	49%
100	60,000	\$4,818.66	\$2,913.75	\$1,904.91	\$5,404.91	\$3,500.00	\$1,904.91	\$586.25	12.2%	20%
150	90,000	\$7,196.58	\$4,370.63	\$2,825.95	\$8,075.95	\$5,250.00	\$2,825.95	\$879.37	12.2%	8%

Rates in Effect 05/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-32 Rate Customers

Hours Use: 200

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	100,000	\$9,011.91	\$4,856.25	\$4,155.66	\$9,988.99	\$5,833.33	\$4,155.66	\$977.08	10.8%
1,000	200,000	\$17,777.53	\$9,712.50	\$8,065.03	\$19,731.70	\$11,666.67	\$8,065.03	\$1,954.17	11.0%
1,500	300,000	\$26,543.16	\$14,568.75	\$11,974.41	\$29,474.41	\$17,500.00	\$11,974.41	\$2,931.25	11.0%
2,000	400,000	\$35,308.78	\$19,425.00	\$15,883.78	\$39,217.11	\$23,333.33	\$15,883.78	\$3,908.33	11.1%
2,500	500,000	\$44,074.41	\$24,281.25	\$19,793.16	\$48,959.83	\$29,166.67	\$19,793.16	\$4,885.42	11.1%

Rates in Effect 05/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-32 Rate Customers

Hours Use: 300

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	150,000	\$12,657.74	\$7,284.38	\$5,373.36	\$14,123.36	\$8,750.00	\$5,373.36	\$1,465.62	11.6%
1,000	300,000	\$25,069.20	\$14,568.75	\$10,500.45	\$28,000.45	\$17,500.00	\$10,500.45	\$2,931.25	11.7%
1,500	450,000	\$37,480.66	\$21,853.13	\$15,627.53	\$41,877.53	\$26,250.00	\$15,627.53	\$4,396.87	11.7%
2,000	600,000	\$49,892.11	\$29,137.50	\$20,754.61	\$55,754.61	\$35,000.00	\$20,754.61	\$5,862.50	11.8%
2,500	750,000	\$62,303.58	\$36,421.88	\$25,881.70	\$69,631.70	\$43,750.00	\$25,881.70	\$7,328.12	11.8%

Rates in Effect 05/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-32 Rate Customers

Hours Use: 400

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	200,000	\$16,303.57	\$9,712.50	\$6,591.07	\$18,257.74	\$11,666.67	\$6,591.07	\$1,954.17	12.0%
1,000	400,000	\$32,360.86	\$19,425.00	\$12,935.86	\$36,269.19	\$23,333.33	\$12,935.86	\$3,908.33	12.1%
1,500	600,000	\$48,418.16	\$29,137.50	\$19,280.66	\$54,280.66	\$35,000.00	\$19,280.66	\$5,862.50	12.1%
2,000	800,000	\$64,475.45	\$38,850.00	\$25,625.45	\$72,292.12	\$46,666.67	\$25,625.45	\$7,816.67	12.1%
2,500	1,000,000	\$80,532.74	\$48,562.50	\$31,970.24	\$90,303.57	\$58,333.33	\$31,970.24	\$9,770.83	12.1%

Rates in Effect 05/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600



The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-32 Rate Customers

Hours Use: 500

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	250,000	\$19,949.41	\$12,140.63	\$7,808.78	\$22,392.11	\$14,583.33	\$7,808.78	\$2,442.70	12.2%
1,000	500,000	\$39,652.53	\$24,281.25	\$15,371.28	\$44,537.95	\$29,166.67	\$15,371.28	\$4,885.42	12.3%
1,500	750,000	\$59,355.66	\$36,421.88	\$22,933.78	\$66,683.78	\$43,750.00	\$22,933.78	\$7,328.12	12.3%
2,000	1,000,000	\$79,058.78	\$48,562.50	\$30,496.28	\$88,829.61	\$58,333.33	\$30,496.28	\$9,770.83	12.4%
2,500	1,250,000	\$98,761.91	\$60,703.13	\$38,058.78	\$110,975.45	\$72,916.67	\$38,058.78	\$12,213.54	12.4%

Rates in Effect 05/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-32 Rate Customers

Hours Use: 600

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	300,000	\$23,595.24	\$14,568.75	\$9,026.49	\$26,526.49	\$17,500.00	\$9,026.49	\$2,931.25	12.4%
1,000	600,000	\$46,944.20	\$29,137.50	\$17,806.70	\$52,806.70	\$35,000.00	\$17,806.70	\$5,862.50	12.5%
1,500	900,000	\$70,293.16	\$43,706.25	\$26,586.91	\$79,086.91	\$52,500.00	\$26,586.91	\$8,793.75	12.5%
2,000	1,200,000	\$93,642.11	\$58,275.00	\$35,367.11	\$105,367.11	\$70,000.00	\$35,367.11	\$11,725.00	12.5%
2,500	1,500,000	\$116,991.07	\$72,843.75	\$44,147.32	\$131,647.32	\$87,500.00	\$44,147.32	\$14,656.25	12.5%

Rates in Effect 05/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-62 Rate Customers

Hours Use: 200

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	600,000	\$63,863.25	\$29,137.50	\$34,725.75	\$69,725.75	\$35,000.00	\$34,725.75	\$5,862.50	9.2%
4,000	800,000	\$79,207.00	\$38,850.00	\$40,357.00	\$87,023.67	\$46,666.67	\$40,357.00	\$7,816.67	9.9%
5,000	1,000,000	\$94,550.75	\$48,562.50	\$45,988.25	\$104,321.58	\$58,333.33	\$45,988.25	\$9,770.83	10.3%
6,000	1,200,000	\$109,894.50	\$58,275.00	\$51,619.50	\$121,619.50	\$70,000.00	\$51,619.50	\$11,725.00	10.7%
7,000	1,400,000	\$125,238.25	\$67,987.50	\$57,250.75	\$138,917.42	\$81,666.67	\$57,250.75	\$13,679.17	10.9%

Rates in Effect 05/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-62 Rate Customers

Hours Use: 300

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	900,000	\$83,535.13	\$43,706.25	\$39,828.88	\$92,328.88	\$52,500.00	\$39,828.88	\$8,793.75	10.5%
4,000	1,200,000	\$105,436.17	\$58,275.00	\$47,161.17	\$117,161.17	\$70,000.00	\$47,161.17	\$11,725.00	11.1%
5,000	1,500,000	\$127,337.21	\$72,843.75	\$54,493.46	\$141,993.46	\$87,500.00	\$54,493.46	\$14,656.25	11.5%
6,000	1,800,000	\$149,238.25	\$87,412.50	\$61,825.75	\$166,825.75	\$105,000.00	\$61,825.75	\$17,587.50	11.8%
7,000	2,100,000	\$171,139.29	\$101,981.25	\$69,158.04	\$191,658.04	\$122,500.00	\$69,158.04	\$20,518.75	12.0%

Rates in Effect 05/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-62 Rate Customers

Hours Use: 400

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,200,000	\$103,207.00	\$58,275.00	\$44,932.00	\$114,932.00	\$70,000.00	\$44,932.00	\$11,725.00	11.4%
4,000	1,600,000	\$131,665.33	\$77,700.00	\$53,965.33	\$147,298.66	\$93,333.33	\$53,965.33	\$15,633.33	11.9%
5,000	2,000,000	\$160,123.67	\$97,125.00	\$62,998.67	\$179,665.34	\$116,666.67	\$62,998.67	\$19,541.67	12.2%
6,000	2,400,000	\$188,582.00	\$116,550.00	\$72,032.00	\$212,032.00	\$140,000.00	\$72,032.00	\$23,450.00	12.4%
7,000	2,800,000	\$217,040.33	\$135,975.00	\$81,065.33	\$244,398.66	\$163,333.33	\$81,065.33	\$27,358.33	12.6%

Rates in Effect 05/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-62 Rate Customers

Hours Use: 500

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,500,000	\$122,878.88	\$72,843.75	\$50,035.13	\$137,535.13	\$87,500.00	\$50,035.13	\$14,656.25	11.9%
4,000	2,000,000	\$157,894.50	\$97,125.00	\$60,769.50	\$177,436.17	\$116,666.67	\$60,769.50	\$19,541.67	12.4%
5,000	2,500,000	\$192,910.13	\$121,406.25	\$71,503.88	\$217,337.21	\$145,833.33	\$71,503.88	\$24,427.08	12.7%
6,000	3,000,000	\$227,925.75	\$145,687.50	\$82,238.25	\$257,238.25	\$175,000.00	\$82,238.25	\$29,312.50	12.9%
7,000	3,500,000	\$262,941.38	\$169,968.75	\$92,972.63	\$297,139.30	\$204,166.67	\$92,972.63	\$34,197.92	13.0%

Rates in Effect 05/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on G-62 Rate Customers

Hours Use: 600

Monthly Power		Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,800,000	\$142,550.75	\$87,412.50	\$55,138.25	\$160,138.25	\$105,000.00	\$55,138.25	\$17,587.50	12.3%
4,000	2,400,000	\$184,123.67	\$116,550.00	\$67,573.67	\$207,573.67	\$140,000.00	\$67,573.67	\$23,450.00	12.7%
5,000	3,000,000	\$225,696.58	\$145,687.50	\$80,009.08	\$255,009.08	\$175,000.00	\$80,009.08	\$29,312.50	13.0%
6,000	3,600,000	\$267,269.50	\$174,825.00	\$92,444.50	\$302,444.50	\$210,000.00	\$92,444.50	\$35,175.00	13.2%
7,000	4,200,000	\$308,842.42	\$203,962.50	\$104,879.92	\$349,879.92	\$245,000.00	\$104,879.92	\$41,037.50	13.3%

Rates in Effect 05/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.05600

Date: 11-Apr-03

## The Narragansett Electric Company

R.I.P.U.C. Docket No. \_\_\_\_\_

Time: 03:28 PM

## Calculation of Monthly Typical Bill

Exhibit JAL-5

## Comparison of Rates in Effect 05/30/03 v. 06/01/03

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## Impact on T-06 Rate Customers

Monthly kWh	Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
1,800	\$167.67	\$87.41	\$80.26	\$185.26	\$105.00	\$80.26	\$17.59	10.5%	47%
3,600	\$327.18	\$174.83	\$152.35	\$362.35	\$210.00	\$152.35	\$35.17	10.7%	12%
7,000	\$628.47	\$339.94	\$288.53	\$696.86	\$408.33	\$288.53	\$68.39	10.9%	8%
11,000	\$982.93	\$534.19	\$448.74	\$1,090.41	\$641.67	\$448.74	\$107.48	10.9%	10%
14,000	\$1,248.78	\$679.88	\$568.90	\$1,385.57	\$816.67	\$568.90	\$136.79	11.0%	3%
20,000	\$1,780.46	\$971.25	\$809.21	\$1,975.88	\$1,166.67	\$809.21	\$195.42	11.0%	20%

Rates in Effect 05/03: T-06

Customer Charge		\$7.84
Transmission Energy Charge (1)	kWh x	\$0.00424
Distribution Energy Charge	kWh x	\$0.02285
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03: T-06

Customer Charge		\$7.84
Transmission Energy Charge (2)	kWh x	\$0.00424
Distribution Energy Charge	kWh x	\$0.02285
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.



The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Comparison of Rates in Effect 05/30/03 v. 06/01/03  
Impact on V-02 Rate Customers

Hours Use: 300

Monthly Usage			Rates in Effect 05/03			Rates in Effect 06/03			Increase/(Decrease)		Percent of Bills
kWh		kW	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
3,000	10		\$304.55	\$145.69	\$158.86	\$333.86	\$175.00	\$158.86	\$29.31	9.6%	24%
6,000	20		\$600.93	\$291.38	\$309.55	\$659.55	\$350.00	\$309.55	\$58.62	9.8%	42%
15,000	50		\$1,490.05	\$728.44	\$761.61	\$1,636.61	\$875.00	\$761.61	\$146.56	9.8%	25%
30,000	100		\$2,971.93	\$1,456.88	\$1,515.05	\$3,265.05	\$1,750.00	\$1,515.05	\$293.12	9.9%	6%
45,000	150		\$4,453.80	\$2,185.31	\$2,268.49	\$4,893.49	\$2,625.00	\$2,268.49	\$439.69	9.9%	3%

Rates in Effect 05/03:

V-02

Customer Charge		\$7.85
Transmission Energy Charge (1)	kWh x	\$0.00610
Distribution Energy Charge	kWh x	\$0.03076
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 06/03:

V-02

Customer Charge		\$7.85
Transmission Energy Charge (2)	kWh x	\$0.00610
Distribution Energy Charge	kWh x	\$0.03076
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

THE NARRAGANSETT ELECTRIC COMPANY  
Re: Standard Offer Rate Filing for June 1, 2003  
Witness: Hager

**DIRECT TESTIMONY**  
**OF**  
**MICHAEL J. HAGER**

1   **I. Introduction**

2   Q.   Please state your name and business address.

3   A.   Michael J. Hager, 55 Bearfoot Road, Northborough, Massachusetts 01532.

5   Q.   Please state your position.

6   A.   I am the Vice President, Energy Supply – New England for National Grid USA Service  
7       Company. I am responsible for, among other things, all power procurement and related  
8       activities for the distribution companies of National Grid USA (formerly the New  
9       England Electric System) including The Narragansett Electric Company (“Narragansett”  
10      or “Company”). These activities include the procurement of power for Standard Offer  
11      Service and Last Resort Service.

13  Q.   Will you describe your educational background and training?

14  A.   In 1982, I graduated from the University of Hartford with a Bachelor of Science degree  
15      in Mechanical Engineering. In 1986, I received a Master of Science degree in  
16      Mechanical Engineering from Northeastern University. I am a Licensed Professional  
17      Engineer in the Commonwealth of Massachusetts.

1 Q. What is your professional background?

2 A. From 1982 to 1992, I was employed by New England Power Service Company in various  
3 engineering positions. In these positions, I provided support to New England Power  
4 Company's ("NEP") thermal and hydroelectric generating plants with overall  
5 responsibility for the management and control of studies and projects from initiation to  
6 completion.

7  
8 From 1992 to 1997, I was employed by NEP where I conducted wholesale and retail  
9 power marketing activities involving the sale and purchase of generation resources to and  
10 from investor-owned utilities, municipalities, independent power producers, government  
11 agencies, brokers, marketers, and end-use retail customers.

12  
13 In June 1997, I was promoted to the position of Standard Offer Portfolio Manager for  
14 New England Power Service Company (now National Grid USA Service Company). In  
15 November 2000, my title was changed to Manager, Distribution Energy Services to more  
16 fully reflect the scope of work performed by my department.

1 In April 2002, I was promoted to the position of Director, Energy Supply – New  
2 England. In December 2002, I was promoted to the position of Vice President, Energy  
3 Supply – New England.  
4

5 Q. Have you previously testified before the Rhode Island Public Utilities Commission  
6 (“Commission”)?

7 A. Yes.  
8

9 **II. Purpose of Testimony**

10 Q. What is the purpose of your testimony?

11 A. The purpose of my testimony is to (i) provide an estimate of the costs Narragansett  
12 expects to incur under its Standard Offer supply contracts for the period April 2003  
13 through December 2004, (ii) provide an update on the status of the dispute resolution  
14 with one of the Company’s Standard Offer suppliers and (iii) explain the effect on the  
15 Company’s congestion cost payments resulting from the implementation of the proposed  
16 NEPOOL Standard Market Design (“SMD”) system.  
17

1    **III.    Description of Fuel Index Adjustment Provision**

2    Q.    What are the Company's current arrangements for procurement of Standard Offer  
3           Service?

4    A.    The Company has contracts with USGen New England, TransCanada Power Marketing  
5           and Constellation Power Source, to serve the load within its pre-merger service territory  
6           ("Narragansett Zone"). The Company also has contracts with TransCanada Power  
7           Marketing, Constellation Power Source and NRG Power Marketing to serve the load  
8           within the service territory of the former Blackstone Valley Electric Company and  
9           Newport Electric Company ("EUA Zone"). All of the Company's contracts run through  
10          December 31, 2009.

11  
12   Q.    Please describe the costs that Narragansett incurs under the Standard Offer supply  
13          contracts.

14   A.    All of the Standard Offer supply contracts include two basic price components – a base  
15          price and a fuel index adjustment provision.

16  
17   Q.    What are the base prices for the period April 2003 through December 2004?

18   A.    The base prices are 4.7 ¢/kWh for calendar year 2003 and 5.1 ¢/kWh for calendar year  
19          2004.

1 Q. Can you describe the fuel index adjustment provision that is contained in the Standard  
2 Offer contracts?

3 A. Yes. The Company's contracts with its Standard Offer suppliers contain a fuel index  
4 adjustment provision that provides additional payments to those suppliers in the event of  
5 substantial increases in the market price of No. 6 residual fuel oil (1% sulphur) and  
6 natural gas. In short, the provision compares the sum of the six-month and twelve-month  
7 rolling average of oil and gas prices to a preset trigger point. (The six-month rolling  
8 average is used for Standard Offer load in the EUA Zone while the twelve-month rolling  
9 average is used for Standard Offer load in the Narragansett Zone.) If the sum of the fuel  
10 index values exceeds the trigger point in a given month then the Company makes  
11 additional payments to the suppliers in that month. If the sum of the fuel index values is  
12 less than or equal to the trigger point in a given month, no additional payments are made  
13 in that month. Comparisons are made each month and thus payments may be made in  
14 some months and not in others. The text of the fuel index adjustment provision that is  
15 applicable to each of the Standard Offer contracts is provided as Exhibit MJH-1.

16  
17 **IV. Fuel Index Estimate for the Period April 2003 through December 2004**

18 Q. Has the Company conducted an estimate of expected costs under the fuel index  
19 adjustment provisions for the period April 2003 through December 2004?

1 A. Yes. The Company has estimated its expected costs under the fuel index adjustment  
2 provisions in the same manner as its September 2000, December 2000, March 2001,  
3 August 2001, December 2001 and December 2002 estimates but used average gas and  
4 crude oil prices as reported in "The Wall Street Journal" on March 26, 2003, March 27,  
5 2003 and March 28, 2003.

6  
7 Q. What gas and oil prices were used in the current estimate?

8 A. Exhibit MJH-2 provides the gas and oil values used in the analysis.  
9

10 Q. What were the resulting fuel index trigger payments?

11 A. Exhibit MJH-3 provides the resulting fuel index adjustment payments from the analysis.

12 The analysis shows that the Company would pay an arithmetic average fuel index  
13 adjustment payment for the period June 2003 through December 2003 of 1.6408¢/kWh  
14 for the Narragansett Zone load and would pay an arithmetic average fuel index  
15 adjustment payment for the same period of 1.9054 ¢/kWh for the EUA Zone load. This  
16 equates to a total Standard Offer cost of 6.3408 ¢/kWh and 6.6054 ¢/kWh, respectively.  
17

18 For the period January 2004 through December 2004, the analysis indicated that the  
19 Company would pay an arithmetic average fuel index adjustment payment of 0.83666



1       ¢/kWh for the Narragansett Zone load and would pay an arithmetic average fuel index  
2       adjustment payment for the same period of 0.67125¢/kWh for the EUA Zone load. This  
3       equates to a total Standard Offer cost of 5.9366 ¢/kWh and 5.7712 ¢/kWh, respectively.  
4

5       Q.     How do these costs compare to current market costs for power?

6       A.     The Company's market cost proxy for comparable service is the cost it incurs to procure  
7       its Last Resort Service requirements or the cost its affiliates incur to procure their Default  
8       Service requirements. In August 2002, the Company procured Last Resort Service for  
9       the period September 2002 through February 2003 at an arithmetic average rate of 4.307  
10      ¢/kWh and for the period March 2003 through August 2003 at 5.429 ¢/kWh. In  
11      September 2002, the Company's affiliate in Massachusetts procured its Default Service  
12      requirements for the period November 2002 through April 2003 at an arithmetic average  
13      rate of 5.081 ¢/kWh for residential customers, 4.993 ¢/kWh for small commercial  
14      customers and 4.973 ¢/kWh for industrial customers.  
15

16      In February 2003, the Company's affiliate in Massachusetts procured a portion of its  
17      Standard Offer Service requirements for the period May 2003 through April 2004 at an  
18      arithmetic average rate of 6.787 ¢/kWh.  
19

1 In March 2003, the same affiliate procured its Default Service requirements for the  
2 period May 2003 through October 2003 at an average rate of 7.365¢/kWh for residential  
3 customers, 7.909¢/kWh for small commercial customers and at 8.622¢/kWh,  
4 7.375¢/k/Wh and 7.729¢/kWh for industrial customers in the NEMA, WCMA and  
5 SEMA load zones.  
6

7 Q. Can you provide the details of the current fuel index adjustment provision calculations?

8 A. Yes. Detailed calculations are provided in Exhibit MJH-4.  
9

10 **V. Status of Dispute Resolution**

11 Q. Is Narragansett still disputing costs billed to it from its Standard Offer suppliers?

12 A. Yes. As stated in prior proceedings, two of Narragansett's Standard Offer suppliers  
13 contend that they are not responsible for certain costs billed to them by ISO New  
14 England that are associated with their provision of Standard Offer Service. To ensure  
15 that the two suppliers continue to provide service, Narragansett agreed to have ISO New  
16 England bill it for such disputed costs until such time as a final resolution of the dispute  
17 is reached pursuant to the dispute resolution process provided for in the supply contracts.  
18

1 Q. When will the disputes be resolved?

2 A. Narragansett is hopeful that the formal dispute resolution process with one supplier will  
3 be completed in mid-May 2003. Narragansett will pursue appropriate actions against the  
4 second supplier following the resolution of the other proceeding.  
5

6 **VI. Effect of NEPOOL Standard Market Design on Congestion Costs**

7 Q. When did NEPOOL implement its proposed SMD system?

8 A. The NEPOOL SMD system began March 1, 2003.  
9

10 Q. Are congestion costs allocated differently under the new SMD system than they were  
11 under the prior system?

12 A. Yes. Under the prior market system rules, congestion costs were allocated to all  
13 NEPOOL transmission customers on the basis of each customer's Network Load.  
14 Network Load is a customer's peak load under the NEPOOL transmission tariff for each  
15 month.  
16

17 Under the new SMD system, congestion costs are reflected in the congestion component  
18 of the locational marginal energy price in each of the eight "zones" now established

1 throughout NEPOOL. Suppliers of energy in each zone are responsible for congestion  
2 costs.

3  
4 Q. Has the Company's cost of procuring its Standard Offer supply changed as a result of the  
5 new congestion cost allocation method under SMD?

6 A. That depends on the final interpretation of the Company's contracts. Four of the  
7 Company's suppliers have claimed that the Company is responsible for congestion costs  
8 under the terms of the applicable Standard Offer contract. One of the suppliers initiated a  
9 formal dispute resolution to resolve this dispute. A final ruling was issued in January  
10 2003 finding the supplier responsible for congestion costs.

11  
12 A formal proceeding with a second supplier, whose contract is identical to the previous  
13 supplier's, has not yet been initiated. It is anticipated that the proceeding will be initiated  
14 and completed by June 2004. During this time the Company will be bearing the  
15 congestion costs subject to the final resolution of the proceeding.

16  
17 A proposed resolution of congestion cost responsibility with a third supplier is currently  
18 pending before the Commission in Docket RIPUC 3496.

THE NARRAGANSETT ELECTRIC COMPANY

Re: Standard Offer Rate Filing for June 1, 2003

Witness: Hager

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1           The Company is currently bearing congestion costs under a contract with a fourth  
2           supplier and is evaluating its options under the contract.

3

4    Q.     Does this conclude your testimony?

5    A.     Yes. It does.

Standard Offer Fuel Index Adjustment Provision

In the event of substantial increases in the market prices of No. 6 residual fuel oil (1% sulphur) and natural gas after 1999, NECO will pay additional amounts to Seller in accordance with this Standard Offer Fuel Index Adjustment Provision, which is calculated as follows:

The Stipulated Price that is in effect for a given billing month is multiplied by a "Fuel Index Adjustment" that is set equal to 1.0 and thus has no impact on the rate paid unless the "Market Gas Price" plus "Market Oil Price" for the billing month exceeds the "Fuel Trigger Point" then in effect, where:

The Stipulated Price is the following predetermined, flat rate, for energy consumed at the customer meter point:

<u>Calendar Year</u>	<u>Price per Kilowatt hour</u>
1998	3.2 cents
1999	3.5 cents
2000	3.8 cents
2001	3.8 cents
2002	4.2 cents
2003	4.7 cents
2004	5.1 cents
2005	5.5 cents
2006	5.9 cents
2007	6.3 cents
2008	6.7 cents
2009	7.1 cents

Seller will be paid the difference between the Stipulated Price as adjusted in accordance with this Standard Offer Fuel Adjustment Provision and the Stipulated Price for each kilowatt-hour it provides in the applicable month.

Market Gas Price is the average of the values of "Gas Index" for the most recent available twelve months (six months for Standard Offer load in the EUA Zone), where:

Gas Index is the average of the daily settlement prices for the last three days that the NYMEX Contract (as defined below) for the month of delivery trades as reported in "The Wall Street Journal,"

expressed in dollars per MMBtu. NYMEX Contract shall mean the New York Mercantile Exchange Natural Gas Futures Contract as approved by the Commodity Futures Trading Commission for the purchase and sale of natural gas at Henry Hub;

Market Oil Price is the average of the values of "Oil Index" for the most recent available twelve months (six months for Standard Offer load in the EUA Zone), where:

Oil Index is the average for the month of the daily low quotations for cargo delivery of 1.0% sulphur No. 6 residual fuel oil into New York harbor, as reported in "Platt's Oilgram U.S. Marketscan" in dollars per barrel and converted to dollars per MMBtu by dividing by 6.3; and

If the indices referred to above should become obsolete or no longer suitable, NECO shall file alternate indices with the RIPUC.

Fuel Trigger Point is the following amounts, expressed in dollars per MMBtu, applicable for all months in the specified calendar year:

2000	\$5.35/MMBtu
2001	\$5.35
2002	\$6.09
2003	\$7.01
2004	\$7.74
2005 *	\$8.48
2006 *	\$9.22
2007 *	\$9.95
2008 *	\$10.69
2009 *	\$11.42

\* For Narragansett Zone only

In the event that the Fuel Trigger Point is exceeded, the Fuel Adjustment value for the billing month is determined based according to the following formula:

$$\text{Fuel Adjustment} = \frac{(\text{Market Gas Price} + \$0.60/\text{MMBtu}) + (\text{Market Oil Price} + \$0.04/\text{MMBtu})}{\text{Fuel Trigger Point} + \$0.60 + \$0.04/\text{MMBtu}}$$

Where:

Market Gas Price, Market Oil Price and Fuel Trigger Point are as defined above. The values of \$.60 and \$.04/MMBtu represent for gas and oil respectively, estimated basis differentials or market costs of transportation from the point where the index is calculated to a proxy power plant in the New England market.

For example if at a point in the year 2002 the Market Gas Price and Market Oil Price total \$6.50 (\$3.50/MMBtu plus \$3.00/MMBtu respectively), the Fuel Trigger Point of 6.09 would be exceeded. In this case the Fuel Adjustment value would be:

$$\frac{(\$3.50 + \$0.60/\text{MMBtu}) + (\$3.00 + \$0.04/\text{MMBtu})}{\$6.09 + \$0.60 + \$0.04/\text{MMBtu}} = 1.0609$$

The Stipulated Price is increased by this Fuel Adjustment factor for the billing month, becoming 4.45484/kWh ( $4.2 \times 1.0609$ ).

In subsequent months the same comparisons are made and, if applicable, a Fuel Adjustment determined.



**Gas and Oil Values  
used in Company's Analyses  
(\$/mmBtu)**

<b>Month</b>	<b>Gas Index</b>	<b>Oil Index</b>
Apr-03	5.107	4.81
May-03	5.168	4.64
Jun-03	5.189	4.36
Jul-03	5.186	4.25
Aug-03	5.183	4.19
Sep-03	5.148	4.14
Oct-03	5.136	4.10
Nov-03	5.236	4.07
Dec-03	5.335	4.03
Jan-04	5.414	4.01
Feb-04	5.279	4.00
Mar-04	5.047	3.94
Apr-04	4.739	3.91
May-04	4.442	3.90
Jun-04	4.404	3.84
Jul-04	4.397	3.84
Aug-04	4.392	3.83
Sep-04	4.392	3.82
Oct-04	4.392	3.82
Nov-04	4.544	3.82
Dec-04	4.747	3.77

**Summary of Additional Payments Estimated to be  
Made Pursuant to the Fuel Index Adjustment Provisions  
(Cents/kWh)**

<b>Month</b>	<b>Narragansett Zone</b>	<b>EUA Zone</b>
Apr-03	1.056	1.780
May-03	1.199	1.995
Jun-03	1.333	2.193
Jul-03	1.461	2.308
Aug-03	1.585	2.249
Sep-03	1.673	2.079
Oct-03	1.746	1.566
Nov-03	1.820	1.497
Dec-03	1.868	1.446
Jan-04	1.376	0.970
Feb-04	1.287	0.968
Mar-04	1.017	0.958
Apr-04	0.954	0.928
May-04	0.880	0.868
Jun-04	0.814	0.771
Jul-04	0.753	0.657
Aug-04	0.694	0.537
Sep-04	0.640	0.430
Oct-04	0.588	0.352
Nov-04	0.540	0.307
Dec-04	0.497	0.309

Prices published in WSJ on: 26-Mar-03 27-Mar-03 28-Mar-03

**The Narragansett Electric Company**  
**DETERMINATION OF MARKET GAS PRICE**

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)
Contract Month	Last Month of Trading	Settlement Prices (\$/mmBtu)			Gas Index	NGrid's Market Gas Price	EUA's Market Gas Price	SOS Delivery Month
		3rd Last	2nd Last	Last				
Jul-01	Jun-01	\$3.446	\$3.397	\$3.182	\$3.342	\$5.345	\$6.027	Jul-01
Aug-01	Jul-01	\$3.276	\$3.128	\$3.167	\$3.190	\$5.299	\$4.953	Aug-01
Sep-01	Aug-01	\$2.544	\$2.415	\$2.295	\$2.418	\$5.113	\$4.328	Sep-01
Oct-01	Sep-01	\$1.910	\$1.925	\$1.830	\$1.888	\$4.829	\$3.883	Oct-01
Nov-01	Oct-01	\$2.938	\$3.041	\$3.202	\$3.060	\$4.699	\$3.291	Nov-01
Dec-01	Nov-01	\$2.696	\$2.606	\$2.316	\$2.539	\$4.384	\$2.970	Dec-01
Jan-02	Dec-01	\$2.895	\$2.911	\$2.555	\$2.787	\$3.800	\$2.740	Jan-02
Feb-02	Jan-02	\$2.037	\$1.908	\$2.006	\$1.984	\$3.387	\$2.647	Feb-02
Mar-02	Feb-02	\$2.449	\$2.307	\$2.388	\$2.381	\$3.161	\$2.446	Mar-02
Apr-02	Mar-02	\$3.326	\$3.457	\$3.472	\$3.418	\$2.993	\$2.440	Apr-02
May-02	Apr-02	\$3.419	\$3.295	\$3.270	\$3.328	\$2.855	\$2.695	May-02
Jun-02	May-02	\$3.347	\$3.280	\$3.420	\$3.349	\$2.807	\$2.740	Jun-02
Jul-02	Jun-02	\$3.430	\$3.449	\$3.278	\$3.386	\$2.811	\$2.875	Jul-02
Aug-02	Jul-02	\$2.902	\$2.936	\$2.976	\$2.938	\$2.790	\$2.974	Aug-02
Sep-02	Aug-02	\$3.617	\$3.483	\$3.288	\$3.463	\$2.877	\$3.133	Sep-02
Oct-02	Sep-02	\$3.742	\$3.494	\$3.686	\$3.641	\$3.023	\$3.314	Oct-02
Nov-02	Oct-02	\$4.028	\$4.176	\$4.126	\$4.110	\$3.110	\$3.351	Nov-02
Dec-02	Nov-02	\$4.260	\$4.261	\$4.140	\$4.220	\$3.250	\$3.481	Dec-02
Jan-03	Dec-02	\$5.146	\$4.962	\$4.988	\$5.032	\$3.437	\$3.626	Jan-03
Feb-03	Jan-03	\$5.396	\$5.444	\$5.660	\$5.500	\$3.731	\$3.901	Feb-03
Mar-03	Feb-03	\$9.137	\$9.577	\$9.133	\$9.282	\$4.306	\$4.328	Mar-03
Apr-03	Mar-03	\$5.077	\$5.097	\$5.146	\$5.107	\$4.446	\$5.298	Apr-03
May-03	Apr-03	\$5.117	\$5.147	\$5.240	\$5.168	\$4.600	\$5.542	May-03
Jun-03	May-03	\$5.137	\$5.149	\$5.280	\$5.189	\$4.753	\$5.718	Jun-03
Jul-03	Jun-03	\$5.137	\$5.144	\$5.276	\$5.186	\$4.903	\$5.880	Jul-03
Aug-03	Jul-03	\$5.137	\$5.139	\$5.274	\$5.183	\$5.090	\$5.905	Aug-03
Sep-03	Aug-03	\$5.107	\$5.104	\$5.232	\$5.148	\$5.230	\$5.852	Sep-03
Oct-03	Sep-03	\$5.097	\$5.094	\$5.217	\$5.136	\$5.355	\$5.163	Oct-03
Nov-03	Oct-03	\$5.207	\$5.196	\$5.305	\$5.236	\$5.449	\$5.168	Nov-03
Dec-03	Nov-03	\$5.312	\$5.294	\$5.400	\$5.335	\$5.542	\$5.180	Dec-03
Jan-04	Dec-03	\$5.392	\$5.374	\$5.475	\$5.414	\$5.574	\$5.204	Jan-04
Feb-04	Jan-04	\$5.267	\$5.234	\$5.335	\$5.279	\$5.555	\$5.242	Feb-04
Mar-04	Feb-04	\$5.042	\$4.999	\$5.100	\$5.047	\$5.202	\$5.258	Mar-04
Apr-04	Mar-04	\$4.567	\$4.549	\$5.100	\$4.739	\$5.172	\$5.241	Apr-04
May-04	Apr-04	\$4.432	\$4.419	\$4.475	\$4.442	\$5.111	\$5.175	May-04
Jun-04	May-04	\$4.372	\$4.364	\$4.475	\$4.404	\$5.046	\$5.043	Jun-04
Jul-04	Jun-04	\$4.352	\$4.364	\$4.475	\$4.397	\$4.980	\$4.887	Jul-04
Aug-04	Jul-04	\$4.342	\$4.359	\$4.475	\$4.392	\$4.914	\$4.718	Aug-04
Sep-04	Aug-04	\$4.342	\$4.359	\$4.475	\$4.392	\$4.851	\$4.570	Sep-04
Oct-04	Sep-04	\$4.342	\$4.359	\$4.475	\$4.392	\$4.789	\$4.461	Oct-04
Nov-04	Oct-04	\$4.577	\$4.579	\$4.475	\$4.544	\$4.731	\$4.403	Nov-04
Dec-04	Nov-04	\$4.737	\$4.744	\$4.760	\$4.747	\$4.682	\$4.420	Dec-04

Notes:

- Col. A - Contract refers to the NYMEX Natural Gas Futures Contract, as approved by the CFTC, for the purchase and sale of natural gas at Henry Hub.
- Col. B - Month that trading for the Contract ends (the month before the delivery month)
- Col. C - Settlement price for the third last trading day as reported in the Wall Street Journal. (Jan-99 - Feb-03)  
- Settlement price as reported in the Wall Street Journal on 26-Mar-03. (Mar-03 Dec-04)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Feb-03)  
- Settlement price as reported in the Wall Street Journal on 27-Mar-03. (Mar-03 Dec-04)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Feb-03)  
- Settlement price as reported in the Wall Street Journal on 28-Mar-03. (Mar-03 Dec-04)
- Col. F - Average value of Col. C, Col. D and Col. E (=AVERAGE(Col. C..Col. E))
- Col. G - Average of the most recent twelve months of values in Col. F (including current SOS delivery month)
- Col. H - Average of the most recent six months of values in Col. F (ending month prior to SOS delivery month)
- Col. I - month in which SOS was delivered at wholesale.

[illegible]

Col. A - month in which SOS was delivered at wholesale.  
Col. B - month in which oil prices were quoted and delivered.  
Col. C - Col. GG - daily prices as reported by Platts Market Report.  
Col. HH - sum of values in Col. C and Col. GG (Jan-09 - Feb-03)  
- Mar-03 Final Crude oil contract price as reported in the Wall Street Journal on 22-Feb-03  
- average of Crude oil contract prices as reported in the Wall Street Journal on Mar 26, 27 & 28 2003  
Col. JJ - number of non-zero values in Col. C through Col. GG.  
Col. JJ - a fixed price of 3.5 months ago  
Col. KK - Col. HH divided by Col. JJ (Col. JJ (Jan-09 - Feb-03)  
- Current month value in Col. C and Col. JJ (Mar-03 - Dec-04)  
- Where 34.61 represents the Feb-03 closing value from the WSJ 22-Feb-03  
Col. LL - Average of the most recent six months of values in Col. KK (including current SOS delivery month)  
Col. MM - Average of the most recent six months of values in Col. KK (ending month prior to SOS delivery month)

The Narragansett Electric Company  
DETERMINATION OF FUEL ADJUSTMENT VALUE

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)	(Col. J)	(Col. K)	(Col. L)	(Col. M)	(Col. N)
SOS Delivery Month	NGrid's Market Gas Price	NGrid's Market Oil Price	NGrid's Fuel Value	NGrid's Fuel Trigger	NGrid's Adjustment Value	EUA's Market Gas Price	EUA's Market Oil Price	EUA's Fuel Value	EUA's Fuel Trigger	EUA's Adjustment Value	Ngrid Adjustment ¢/kWh	EUA Adjustment ¢/kWh	Weighted Adjustment ¢/kWh
Jan-02	\$3.80	\$3.14	\$6.94	\$6.09	1.12666	\$2.74	\$2.89	\$5.63	\$6.09	1.00000	0.532	0.000	0.394
Feb-02	\$3.39	\$3.03	\$6.42	\$6.09	1.04857	\$2.65	\$2.81	\$5.45	\$6.09	1.00000	0.204	0.000	0.151
Mar-02	\$3.16	\$2.98	\$6.14	\$6.09	1.00740	\$2.45	\$2.66	\$5.11	\$6.09	1.00000	0.031	0.000	0.023
Apr-02	\$2.99	\$2.97	\$5.96	\$6.09	1.00000	\$2.44	\$2.64	\$5.08	\$6.09	1.00000	0.000	0.000	0.000
May-02	\$2.85	\$2.97	\$5.83	\$6.09	1.00000	\$2.70	\$2.76	\$5.45	\$6.09	1.00000	0.000	0.000	0.000
Jun-02	\$2.81	\$3.00	\$5.81	\$6.09	1.00000	\$2.74	\$2.95	\$5.69	\$6.09	1.00000	0.000	0.000	0.000
Jul-02	\$2.81	\$3.04	\$5.86	\$6.09	1.00000	\$2.87	\$3.11	\$5.99	\$6.09	1.00000	0.000	0.000	0.000
Aug-02	\$2.79	\$3.11	\$5.90	\$6.09	1.00000	\$2.97	\$3.28	\$6.26	\$6.09	1.02497	0.000	0.105	0.027
Sep-02	\$2.88	\$3.19	\$6.07	\$6.09	1.00000	\$3.13	\$3.56	\$6.70	\$6.09	1.09007	0.000	0.378	0.098
Oct-02	\$3.02	\$3.30	\$6.33	\$6.09	1.03493	\$3.31	\$3.74	\$7.05	\$6.09	1.14271	0.147	0.599	0.264
Nov-02	\$3.11	\$3.41	\$6.52	\$6.09	1.06322	\$3.35	\$3.85	\$7.20	\$6.09	1.16466	0.266	0.692	0.376
Dec-02	\$3.25	\$3.54	\$6.79	\$6.09	1.10395	\$3.48	\$3.86	\$7.34	\$6.09	1.18596	0.437	0.781	0.526
Jan-03	\$3.44	\$3.74	\$7.18	\$7.01	1.02238	\$3.63	\$3.97	\$7.59	\$7.01	1.07608	0.105	0.358	0.171
Feb-03	\$3.73	\$4.01	\$7.74	\$7.01	1.09559	\$3.90	\$4.20	\$8.10	\$7.01	1.14305	0.449	0.672	0.507
Mar-03	\$4.31	\$4.17	\$8.48	\$7.01	1.19197	\$4.33	\$4.46	\$8.79	\$7.01	1.23219	0.902	1.091	0.951
Apr-03	\$4.45	\$4.28	\$8.73	\$7.01	1.22458	\$5.30	\$4.61	\$9.91	\$7.01	1.37866	1.056	1.780	1.244
May-03	\$4.60	\$4.36	\$8.96	\$7.01	1.25501	\$5.54	\$4.72	\$10.26	\$7.01	1.42457	1.199	1.995	1.406
Jun-03	\$4.75	\$4.43	\$9.18	\$7.01	1.28353	\$5.72	\$4.86	\$10.58	\$7.01	1.46668	1.333	2.193	1.556
Jul-03	\$4.90	\$4.48	\$9.39	\$7.01	1.31075	\$5.88	\$4.89	\$10.77	\$7.01	1.49097	1.461	2.308	1.681
Aug-03	\$5.09	\$4.50	\$9.59	\$7.01	1.33723	\$5.91	\$4.76	\$10.67	\$7.01	1.47845	1.585	2.249	1.758
Sep-03	\$5.23	\$4.50	\$9.73	\$7.01	1.35597	\$5.85	\$4.54	\$10.39	\$7.01	1.44227	1.673	2.079	1.779
Oct-03	\$5.36	\$4.50	\$9.85	\$7.01	1.37157	\$5.16	\$4.40	\$9.56	\$7.01	1.33329	1.746	1.566	1.700
Nov-03	\$5.45	\$4.52	\$9.97	\$7.01	1.38717	\$5.17	\$4.28	\$9.45	\$7.01	1.31857	1.820	1.497	1.736
Dec-03	\$5.54	\$4.51	\$10.05	\$7.01	1.39739	\$5.18	\$4.18	\$9.36	\$7.01	1.30767	1.868	1.446	1.758
Jan-04	\$5.57	\$4.43	\$10.00	\$7.74	1.26977	\$5.20	\$4.13	\$9.33	\$7.74	1.19022	1.376	0.970	1.270
Feb-04	\$5.56	\$4.30	\$9.85	\$7.74	1.25228	\$5.24	\$4.09	\$9.33	\$7.74	1.18989	1.287	0.968	1.204
Mar-04	\$5.20	\$4.21	\$9.41	\$7.74	1.19951	\$5.26	\$4.06	\$9.31	\$7.74	1.18792	1.017	0.958	1.002
Apr-04	\$5.17	\$4.14	\$9.31	\$7.74	1.18697	\$5.24	\$4.02	\$9.26	\$7.74	1.18188	0.954	0.928	0.947
May-04	\$5.11	\$4.07	\$9.19	\$7.74	1.17248	\$5.17	\$3.99	\$9.17	\$7.74	1.17024	0.880	0.868	0.877
Jun-04	\$5.05	\$4.03	\$9.08	\$7.74	1.15956	\$5.04	\$3.96	\$9.01	\$7.74	1.15121	0.814	0.771	0.803
Jul-04	\$4.98	\$4.00	\$8.98	\$7.74	1.14758	\$4.89	\$3.93	\$8.82	\$7.74	1.12890	0.753	0.657	0.728
Aug-04	\$4.91	\$3.97	\$8.88	\$7.74	1.13612	\$4.72	\$3.90	\$8.62	\$7.74	1.10526	0.694	0.537	0.653
Sep-04	\$4.85	\$3.94	\$8.79	\$7.74	1.12547	\$4.57	\$3.88	\$8.45	\$7.74	1.08432	0.640	0.430	0.585
Oct-04	\$4.79	\$3.92	\$8.71	\$7.74	1.11525	\$4.46	\$3.86	\$8.32	\$7.74	1.06906	0.588	0.352	0.527
Nov-04	\$4.73	\$3.90	\$8.63	\$7.74	1.10587	\$4.40	\$3.84	\$8.24	\$7.74	1.06026	0.540	0.307	0.479
Dec-04	\$4.68	\$3.87	\$8.56	\$7.74	1.09740	\$4.42	\$3.83	\$8.25	\$7.74	1.06054	0.497	0.309	0.448

Notes:  
Forecast of fuel prices based on NYMEX futures as reported in the Wall Street Journal on March 26, 27 & 28 2003

Notes:  
Col. A - month in which SOS was delivered at wholesale  
Col. B - Average of the values of Gas Index for the most recent 12 months. (Col. G - Determination of Market Gas Price)  
Col. C - Average of the values of Oil Index for the most recent 12 months. (Col. LL - Determination of Market Oil Price)  
Col. D - Col. B + Col. C  
Col. E - Applicable value from the Standard Offer Supply Contracts.  
Col. F -  $\text{if } \text{Col. D} > \text{Col. E}, (\text{Col. B} + \$0.60 + \text{Col. C} + \$0.04) / (\text{Col. E} + \$0.64), 1.000$   
Col. G - Average of the values of Gas Index for the most recent 6 months. (Col. H - Determination of Market Gas Price)  
Col. H - Average of the values of Oil Index for the most recent 6 months. (Col. MM - Determination of Market Oil Price)  
Col. I - Col. G + Col. H  
Col. J - Applicable value from the Standard Offer Supply Contracts.  
Col. K -  $\text{if } \text{Col. I} > \text{Col. J}, (\text{Col. G} + \$0.60 + \text{Col. H} + \$0.04) / (\text{Col. J} + \$0.64), 1.000$   
Col. L -  $(\text{Col. F} - 1.0) * \text{Applicable Contract Price from the Standard Offer Supply Contracts.}$   
Col. M -  $(\text{Col. K} - 1.0) * \text{Applicable Contract Price from the Standard Offer Supply Contracts.}$